



DLP

Policy and Practice for Developmental
Leaders, Elites and Coalitions

DEVELOPMENTAL LEADERSHIP PROGRAM

Research Paper 14

Yemen: Developmental Dysfunction and Division in a Crisis State

Sarah Phillips

February 2011





The Developmental Leadership Program (DLP) is an international policy initiative informed by targeted research and directed by an independent steering committee. DLP is supported by a global network of partners and currently receives its core funding from the Australian aid program.

The views expressed in this publication are those of the author(s) and do not necessarily represent those of the Australian Government or any of DLP's other partner organisations.

Contents

Abstract	ii
Acknowledgements	iii
Executive Summary	iv
Acronyms	ix
Map	x
Objectives and Analytical Framework	1
Methodology	5
The Nature of the Threat Facing Yemen	7
The Rules of the Game: Yemen's Structural and Political Context	11
The Formal Institutional Context	11
The Informal Institutional Context	17
External Geopolitical Actors	29
A Profile of the Key Players	33
The Inner Circle	33
The Yemeni Regime	40
The Formal Opposition: The Joint Meeting Parties (JMP)	42
The Ruling Party: The General People's Congress (GPC)	46
Why the Political Party Elites Cannot/Will Not Act	47
Conclusions	50
Policy Implications	54
What Can Be Done?	56
Appendix	59
Bibliography	64

Abstract

When the Chinese revolutionary leader, Zhou Enlai, was asked about the impact of the French Revolution of 1789, he allegedly quipped “it is too soon to say.” As Yemen and the Middle East experience major shifts in early 2011 it is important to examine the underlying drivers of these changes. This paper looks behind the scenes at the Yemeni regime’s opaque internal politics and at the nature of the neo-patrimonial system that it has entrenched over the past 32 years. Yemen is at a critical juncture, and the calculations and strategies of the country’s key actors may shift rapidly and on the basis of unpredictable factors, but it is important to keep in mind that deeply patrimonial systems are not transformed overnight.

This paper offers an analysis of that system and the dynamics that have brought Yemen to this critical juncture. It asks why the leaders and elites of some countries are so ineffective in addressing serious threats to the viability of their states and to the wellbeing of their citizens? Is failure primarily attributable to individual leaders – that is, to agency – or are leaders and elites constrained by structural factors beyond their control? How important are external actors?

Based on data gathered from political actors within Yemen in 2010, interviews with donors and local actors, government records, media reports, and observations made in previous field research, this analytical study examines the relations between the structures and agents that constitute the Yemeni polity. The paper examines the roles of the key players in Yemen’s formal and informal elites, with a particular focus on the dynamics of President Ali Abdullah Saleh’s secretive inner circle. It questions:

- Why Yemeni elites have been unwilling and/or unable to take effective action against the threats facing the state and thus their survival as elites?
- Whether this failure is primarily a matter of choices that elites have made, or a function of structural and institutional circumstances beyond their control?
- Whether these actors perceive that the threat is not serious enough to warrant systemic change and, if so, the basis for this perception.

The paper concludes with messages for policy makers that include drawing on narratives from Tunisia and Egypt, how to reprioritise the search for economic opportunities, and the need for direct engagement - both with President Saleh’s inner circle and also Yemen’s most powerful neighbour, Saudi Arabia.

Acknowledgements

The author would like to thank Abdul-Ghani al-Iryani, who led the local field research for this project and conducted the questionnaire. As always, his insightful analysis and calming spirit were invaluable to the completion of this work. I would also like to thank Adrian Leftwich for his astute judgements and rigour, and Steve Hogg. Any remaining errors are mine alone. I am grateful to the Developmental Leadership Program for financing this research.

Executive Summary

When the Chinese revolutionary leader, Zhou Enlai, was asked about the impact of the French Revolution of 1789, he allegedly quipped “it is too soon to say.” As Yemen and the Middle East experience major shifts in early 2011 it is important to examine the underlying drivers of these changes. This paper looks behind the scenes at the Yemeni regime’s opaque internal politics and at the nature of the neo-patrimonial system that it has entrenched over the past 32 years. Yemen is at a critical juncture, and the calculations and strategies of the country’s key actors may shift rapidly and on the basis of unpredictable factors, but it is important to keep in mind that deeply patrimonial systems are not transformed overnight.

This paper offers an analysis of that system and the dynamics that have brought Yemen to this critical juncture. It asks why the leaders and elites of some countries are so ineffective in addressing serious threats to the viability of their states and to the wellbeing of their citizens? Is failure primarily attributable to individual leaders – that is, to agency – or are leaders and elites constrained by structural factors beyond their control? How important are external actors?

Yemen is facing a series of deepening economic and political challenges, including declining oil reserves, budget shortfalls, civil conflict, a burgeoning civil protest movement, foreign military intervention, pervasive poverty, and an increasingly aggressive militant jihadi movement. Theory suggests that such threats often provoke the formation of developmental elites and coalitions, but to date this has not occurred in Yemen.

This paper considers what the situation in Yemen tells us about domestic and international impediments to reform in developing states. It examines the relations between the structures and agents that constitute the Yemeni polity to try to determine:

- Why Yemeni elites have been unwilling and/or unable to take effective action against the threats facing the state and that, therefore, simultaneously threaten their individual survival as elites?
- Whether this failure is primarily a matter of decisions and preferences that elites make as human agents, or a function of structural and institutional circumstances beyond their control?
- Whether these actors perceive that the threats are not serious enough to warrant systemic change and, if so, the basis for this perception.

Methodology

This qualitative study combines data gathered from semi-structured questionnaires of political actors within Yemen, interviews with Western donors and local actors, government records, media reports, and observations made during several years of previous field research. With a few notable exceptions it was not possible to interview members of the regime’s ‘inner circle’. This study has therefore used the observations of other elites, analysts, and the regime’s public record of behaviour to determine the reasons for its apparent unwillingness to act against the threats that have built against the state for the past several years.

Key Players and Yemen’s power elite

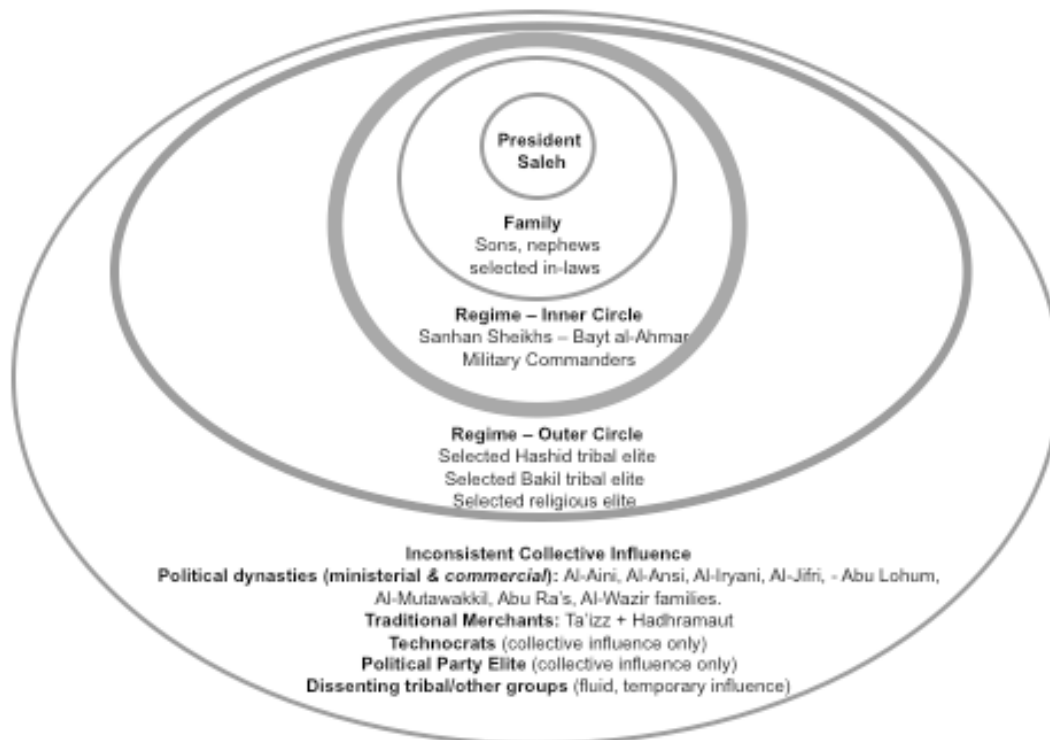
As in many developing polities, the most noteworthy feature of Yemen’s formal institutions is their relative lack of salience compared to informal institutions. This study examines four main groups:

- Yemen’s ‘regime’ (an informal network of elites, predominantly tribal and military personalities, whose

interests are considered on an ad-hoc and fluid basis by President Ali Abdullah Saleh and his inner circle in political decisions)

- The regime's 'inner circle'
- The Joint Meeting Parties (JMP) (Opposition coalition party)
- The General People's Congress (GPC) (Governing party)

Figure 1



- The most important players in the Yemeni system are the regime's **inner circle**, a power elite of approximately 50 people that surround President Ali Abdullah Saleh, drawn from his family and tribe – the Sanhan. Members who serve as military commanders are well known to the Yemeni public, but the rest of this group are shrouded of secrecy.
- Expanding outwards from this core group are the fluid networks that constitute **the Yemeni regime**, starting with highly influential tribal elites that may still be considered part of the regime's core.
- Significantly further down in this hierarchy of political influence are **the technocrats and political party elite**. Players in the system, their interests are not considered critical to the regime's decision-making processes and they are therefore unlikely to be able to drive a process of systemic reform.

The Rules of the Game- the Yemeni patronage system

- The Yemeni patronage system constitutes the basis of the political settlement between the elites outside the inner circle. Without a monopoly on the legitimate use of violence, the inner circle needs to complement its coercive power with the ability to co-opt, divide, reward, and punish other elites through patronage.
- The rules of the game are based on the inclusion of relevant elites and the exclusion of others, perpetuating the ability of elites to capture wealth, generate further rents, and distribute benefits on a discretionary basis (North, Wallis, and Weingast, 2009: 38). The system is highly inclusive of

elites, because patronage politics are so much more relevant in determining political influence and resource allocation than are the country's formal institutions.

- To be included, a person or group must be able to demonstrate their relevance to the maintenance of the political status quo. This is an ongoing negotiation, and those who fail lose their positions within the system. Not all elites are included equally or permanently and the system is not open to those whom the regime does not consider influential within a given constituency.
- With some important exceptions, most members are not individually influential in key political decisions, but are included as a means of maintaining stability, regional diversity, and to prevent elites from challenging the regime's inner circle.
- These informal mechanisms are critical to the regime's ability to contain violence and maintain its centralised rule but also limit competition, economic growth and the regime's incentives to enforce the rule of law.

Structural Impediments to Change

The fact that so many people are enmeshed in the patronage system suggests that the structural constraints facing Yemeni elites are, in fact, the sum total of the agents who maintain the system. However, several political and economic structures form the basis for these individuals' beliefs about what is politically possible, including:

- **Historical coincidence.** In the 1970s and 80s, north Yemen was largely a remittance-based economy. At the same time as almost one million Yemeni workers were expelled from the Gulf as punishment for Yemen's stance on Iraq's invasion of Kuwait in 1990, the country's oil exports began to increase dramatically. The balance of power rapidly switched from a remittance-rich (and therefore relatively autonomous) citizenry and a poor state, to a poor (and relatively economically dependent) citizenry and an oil-rich state (Clark, 2010: 139). This shift was reflected in the renegotiation of the political settlement, favouring the regime rather than Yemeni social forces.
- **Ongoing access to external rent.** The implicit message from Western donors and Yemen's neighbours is that Yemen poses too serious a security threat to be allowed to descend into chaos, and that the regime must be supported politically and economically against that outcome. For example, in 2009, Saudi Arabia made a direct payment of \$US2.2 billion to the Yemeni president, and the United Arab Emirates followed suit with a payment of \$US700 million. This makes the total known to have been received by the regime in direct support around 70 percent of what Yemen earned from oil exports when revenues peaked in 2008. In this context, the depletion of oil revenues appears far less threatening, and the perceived need for the regime to plan for a post-rentier economy greatly reduced.
- **Hasty and inclusive political settlements.** Yemen's political settlements have been hastily forged, and are highly inclusive of elites. It suggests that the higher the level of inclusiveness in a political settlement, the lower the common denominator between its constituents can be, making it more difficult to negotiate changes to the status quo. Instead, the political settlements become geared towards the distribution of rents and favours, with dissent focused on that rather than on development issues.

Agential Impediments to Change

There is a divide between Yemen's formal political and technocratic elite (irrespective of party membership), and the power elite (President Saleh and his inner circle), regarding the perceptions of threat facing the country:

- The formal elite perceive the most fundamental cause of Yemen's problems in strongly agential

terms.

- 75 percent of questionnaire participants nominated “leadership” as the cause of Yemen’s most serious problems, with a further six percent nominating it as one of the causes. President Saleh is thus seen as the primary cause of the government’s malaise.
- The collective belief that Yemen faces a serious crisis suggests that the president’s preference for tone-deaf yes-men over the political and technocratic advisors that he once favoured has left him without a nuanced understanding of the changes underway in Yemeni society.
- In seeking to cement a power-hierarchy that protects the political settlement of the inner-circle, the regime has little agility to deal with scenarios that do not fit within its narrow model of expected behaviours. If society deviates from that model, the institutions built by the regime are poorly equipped to adapt to it.
- Structural restrictions are perceived to be tight for those outside the regime’s inner circle, but the room for agency within it is perceived to be high.

President Saleh is seen as largely unconstrained by his circumstances and it is widely held that he could decisively alter the country’s political and economic trajectory if that was his goal.

President Saleh’s position

President Saleh may have less freedom to make changes than is assumed, since he is structurally constrained by a collective action problem within his inner circle:

- Lacking constitutional or legitimate power, the biggest threat the inner circle faces is the possibility of changes to the predatory and collusive rules of the game from which they all individually benefit.
- Their collective perception is that their interests are better served by maintaining the economic status quo. This paper details several instances of apparently intentional sabotage against Yemen’s prospects for economic growth.
- If the president were to increase his reliance on the rule of law to foster private investment and economic growth, the inner circle would forgo their short-term financial interests and risk becoming less politically relevant to the president in the longer term.
- President Saleh, therefore, exercises almost absolute control when maintaining the status quo that benefits his inner circle, but is constrained in his ability to implement reforms that would disrupt the political settlement that keeps the group together.
- This presents a clear problem for him if the political environment changes rapidly and unpredictably, as it has in the fallout from the uprising in Egypt. Yemen’s political settlement is built to maintain the status quo, but if things change and the status quo becomes untenable it is not equipped [with](#) significant feedback mechanisms to monitor and respond to that change.

Messages for policy makers

- **Yemen needs change more than stability.** The political settlement in Yemen is in a dysfunctional equilibrium that exacerbates economic malaise and cycles of violence. Change is already underway, and its direction is being widely debated within Yemen, among both average Yemenis and elites. The notion that stability can be achieved simply by reinforcing the regime seems disingenuous to many in the country.
- **Understand the disconnections between problems and solutions.** The regime’s inner circle (the informal state) dominates political decision-making and resource allocation. However, Western donors expect the government (the formal state, not empowered by the regime to make major changes) to deliver systemic changes in exchange for greater support. Such disconnections can also be

seen at local level, where donor interventions often prioritise aggrieved tribal communities at the expense of the traditional commercial centres, where levels of entrepreneurship and education are highest, and the likelihood of facilitating national economic regeneration is greatest, particularly in the governorate of Ta'izz (see below).

- **Directly engage Yemen's inner circle.** President Saleh and his inner circle could conceivably lead a process of systemic reform if they collectively perceive genuine change to be in their self-interests. At the time of writing, this perception was uncertain, but as foment spreads throughout the Arab world, their calculations may shift, presenting reformists with an opportunity. The challenge is to access the inner circle directly, and then to persuade them that change is as inevitable as it is in potentially in their longer-term interests. Their actions to date do not suggest that they see such incentives. Opening these lines of communication needs to be a priority.
- **Use narratives from Tunisia and Egypt.** The recent political upheavals in Tunisia and Egypt provide an obvious narrative for donors to use in encouraging Yemen's power elite to think about its longer-term self-preservation.
- **Invest in commercial incentives.** The regime could reduce the political hurdles that currently impede investors – such as the insistence that they partner with members of the inner circle, or the unwritten requirement that they evade taxation in order to be competitive – in exchange for their ability to deliver economic growth. With the level of risk facing investors in mind, donors might attempt to shift the balance of economic power towards society by offering venture capital insurance programs for local private investors who are willing to risk investing in Yemeni projects. Stimulating economic development in this manner is a long-term process, but should be part of a package aimed to develop the greater interdependence of Yemen's merchants with Yemen's political leadership.
- **Donors should consider prioritising the search for economic opportunities in areas that have a history of a production-based economy,** rather than focussing assistance so tightly on the areas where al-Qa'ida has gained traction but which are detached from nationwide commerce. The study looks at the governorate of Ta'izz as an example of how to identify players that are most likely to represent interests that would benefit from a developmentally inclined system of governance.
- **Direct engagement at the highest levels with Saudi Arabia will have to be part of the strategy,** to stem the disincentives to deep reform. Such engagement will need to be conducted at the highest diplomatic levels to have the necessary weight, and to some extent this is already occurring.
- **International legitimacy is a bargaining chip.** Without international legitimacy, President Saleh is less valuable to his inner circle, and may become more vulnerable to a coup if they fear that their wealth and status are consequently under threat. International legitimacy is thus an Achilles heel for President Saleh, which makes the West's policy options look quite different to the ones currently being pursued, in which the Yemeni regime is to be 'stabilised'.

Acronyms

ACC	Arab Cooperation Council
AQAP	Al-Qa'ida in the Arabian Peninsula
COCA	Central Organisation for Control and Auditing
DFID	Department for International Development (UK)
DLP	Developmental Leadership Program
GCC	Gulf Cooperation Council
GPC	General People's Congress
IMF	International Monetary Fund
JMP	Joint Meeting Parties
MCC	Millennium Challenge Corporation
MECO	Military Economic Corporation
MOPIC	Ministry of Planning and International Affairs
PDRY	People's Democratic Republic of Yemen (former South Yemen)
PSO	Political Security Organisation
UAE	United Arab Emirates
UNSC	United Nations Security Council
UPF	Union of Popular Forces
USAID	United States Agency for International Development
YAR	Yemen Arab Republic (former North Yemen)
YECO	Yemen Economic Corporation
YSP	Yemeni Socialist Party

Map of Yemen¹



Base 802847AI (C00296) 2-02

1 Courtesy of the University of Texas Libraries, The University of Texas at Austin: http://www.lib.utexas.edu/maps/middle_east_and_asia/yemen_pol_2002.jpg

Objectives and Analytical Framework

In each of the case studies examining the establishment of effective developmental coalitions in the first phase of the Developmental Leadership Program (DLP),² a common factor was found to be present: there was an obvious threat, danger, or opportunity facing the political leadership (Leftwich, 2010: 107). This threat or danger to the political survival of the elites created strong incentives for them to act in a manner that produced national economic development. For several years, Yemen has been widely described by both foreign and local observers as experiencing escalating and multiple threats to its viability (Barfi, 2010; Boucek, 2009; Day, 2010; Exum and Fontaine, 2009; Hill, 2008; Johnsen, 2010a; Phillips, 2010; International Crisis Group, 2009; MacDonald and Khalil, 2009). There have been many warning signs that a serious political crisis is building. The research question that this project therefore asks is: why have Yemen's elites been unwilling and/or unable to take effective action against these threats? Why have the dominant political elites, together, or alone, not formed a sufficiently broad-based coalition to overcome the challenges that threaten the viability of the state, and thus their individual survival as elites?

Do these actors perhaps not perceive the threat to be serious enough to warrant a significant change in the way that politics is practiced? Or do they perhaps believe that external actors will provide sufficient financial assistance to reduce the level of threat facing Yemen? What other factors might contribute to a perception that the challenges facing the country remain manageable, and do not require a systemic change to political processes? If, on the other hand, however, there is the perception that a serious threat does exist, how can we explain where the most significant barriers to effective action lie?

This study surveyed the views of a cross-section of technocrats in government and the formal political party elite (in semi-structured questionnaires) about the level of threat facing the country, the actions that they believe are required to respond adequately to the crisis, and the obstacles that they face in attempting to implement those solutions. Using a combination of these responses and other primary and secondary source material, this study then analyses the regime's apparent perceptions of the level of threat posed to its ability to maintain power.³ The study aims, therefore, to move beyond a focus that prioritises institutions, policies, and the seeming malignancy of the rent-based patronage system, to one that highlights actors' perceptions of the political context in which they operate, their ability to shape that context, and the collective action problems they face in so doing. It is intended that this approach will provide a clearer picture of how external actors might apply incentives and disincentives more effectively in developing states, and how they may better understand the impacts and limitations of their own actions. By accounting for the constraints Yemen's elites face, the beliefs that they hold about their environment, and the strategies that they devise on this basis, it also aims to elucidate where the structural and agential barriers to (and opportunities for) developmental change are within Yemen's political context.

This study uses the term agential to refer to the ability of individuals to make choices or to innovate within the structural and institutional circumstances within which they operate (Leftwich, 2010: 94). Could the actors, or agents involved "have acted otherwise," (Giddens, 1976: 75) or are they entirely constrained by circumstances over which they exercise no control? Having a better map of the structural and agential barriers to political change is valuable because the relationship between these two variables has a fundamental impact on the ability to target solutions: it is pointless, for example, to prescribe structural solutions to problems that are caused by agential or political processes, just as it is pointless to incentivise a leadership to act differently if the barriers to change are structural.

² The first phase of the project was called the Leaders, Elites and Coalitions Research Programme (LECRP).

³ Direct access to the regime's inner circle is very restricted, and it was not possible to interview them directly, and the formal political party elite's interactions with the regime have been used to help infer the perceptions within the regime's inner circle.

Robert Bates illustrates the influence of perception and agency in processes of development in *When Things Fell Apart: State Failure in Late-Century Africa* (2009). He argues that political order results when two conditions occur simultaneously. The first condition is that the political leadership – which he refers to collectively as “specialists in violence” – perceives that their interests are better served by employing their coercive capacity to protect society’s ability to create wealth than they are by preying upon that wealth. The second condition is that individuals in society collectively perceive that their interests are better served by trusting the specialists in violence to provide their security, thus allowing them to “choose to set weapons aside and to devote their time to the production of wealth and to the enjoyment of leisure” (Bates, 2009: 5). Drawing on Charles Tilly’s famous aphorism that states make wars and wars make states (Tilly, 1985), Bates argues elsewhere that a state’s political leadership requires the capital and industry that merchants and investors can provide if it is to successfully coerce and wage war, while merchants and investors require the protection of private property that those with the means to coerce can provide (Bates, 2001: 85). He argues that when both the political and the economic elite perceive that their ability to survive rests upon their ability to cooperate then political order and prosperity is more likely to prevail.⁴

Bates also argues that in the international system that emerged after World War II, the safeguards to sovereignty moved beyond the borders of the state and meant that “political elites did not tend to treat economic policy as a matter of political survival” (Bates, 2001: 86-7). The effect of the external guarantees of sovereignty was that that survival incentives were skewed and political elites could bargain with external actors for the economic resources necessary for their survival instead of with those in society that are capable of creating national wealth. In the absence of a survival incentive for pursuing developmental outcomes, development has become as much a matter for international negotiation as it is a matter for domestic negotiation (Bates, 2001: 66). In the prevailing international system, states are not necessarily compelled to nurture their local economies because income can be negotiated from external sources through international transfers (Bates, 2001: 66).

Drawing on these observations, this paper analyses how the Yemeni regime has perceived its incentives to bargain with the international community for its political legitimacy and economic survival, and compares this to its perceived incentives to bargain with society for these same goods. It seeks to answer whether Yemen’s leadership could choose to have both the perks of political office *and* a productive economy, or whether the structural constraints render this impossible. It finds that Yemen’s power elite appears to believe that the crisis does not seriously threaten its ability to maintain power as long as they can maintain access to sufficient rentier income from its neighbours or, less significantly, from Western donors. However, in maintaining this belief, it appears that the uprisings in Tunisia and Egypt caught them off guard, and it is very likely that that they now perceive themselves to be in a more tenuous position than they did previously. The perceived threat that Yemen poses to regional and international security is helping to underwrite the regime’s ability to extract the funds and thus maintain power. External actors are, therefore, affecting the regime’s agential behaviour by adjusting the structural circumstances in which the regime operates. The question for Western donors is whether they can affect these circumstances in a way that creates incentives for developmentally progressive behaviour.

The level of agreement that was expressed across party lines in the survey results about the seriousness of the threats facing the country was striking. Without exception, every participant believed that Yemen is facing “serious problems,” although there was some variation in whether it was felt that the problems are “serious but temporary” or “insurmountable and permanent.” Seventy-nine percent of participants believed that the latter category described at least one of the problems that they mentioned.

⁴ Bates (2009: 17) notes that the creation of order rests upon three conditions: that the rate of taxation is appropriate (that is not so high that the citizens will not pay, and not so low that the specialist will feel short-changed); that the rewards available to the specialist if it turns to predation are not too high; and that the specialist is not so greedy, impatient or insecure that it elects to discount its future earnings too heavily in order to benefit in the short-term.

It was commonly stated by participants that they could not understand why the Yemeni leadership (almost always a byword for Yemeni President Ali Abdullah Saleh) has not enacted some of the more obvious and achievable measures to reduce the instability that is now apparently so pervasive. The prevalence of this view among participants is indicative of the widespread belief that President Saleh is relatively unconstrained by his circumstances. His individual agency is seen as the fundamental driver of Yemen's problems, and it is, therefore widely held that he could decisively alter the country's political and economic trajectory if that were his decision.

This paper examines the veracity of this assumption by unpacking the structural and political context in which the president and his powerful, though opaque, inner circle operates. This is an elite based study that uses the term 'elites' to refer to the small and fluid group of individuals that occupy "the most powerful positions" (Scott, 2008: 33, cited in Leftwich, 2010: 104) in a country's political system. As is discussed below, the Yemeni elite is comprised of tribal sheiks, military leaders, religious leaders, political party elites, technocrats, and to a lesser degree, traditional merchants. These elites are responsible for setting and pursuing the national agenda though this is not necessarily to imply that the interests of the elite are aligned with the interests of the average citizen. Broadly speaking, Yemen's political elites are not developmentally inclined, particularly as one moves up the regime's hierarchy, although there are some notable exceptions to this.

Key Players

Before discussing the context of this study further, it is necessary to briefly introduce the key players, although this will be done in far greater detail later. This study examines four main groups of actors: the Joint Meeting Parties (JMP), the General People's Congress (GPC), the regime, and the regime's 'inner circle.'

The JMP is a coalition of six opposition parties (a seventh party, *al-Tajamma'u*, may join soon). Its strongest and most popular member is the Islamist *Islah* Party, which currently holds 46 of the 301 seats in parliament. The next most important party in the coalition is the Yemeni Socialist Party (YSP), which was the former ruling party of the south Yemeni state (the People's Democratic Republic of Yemen), and holds 7 seats in parliament. The Nasserite Party holds three seats, and has a small base of popular support, while the Ba'ath Party holds one seat. The other members of the coalition, Hizb al-Haqq and the Union of Popular Forces (UPF) do not have any seats in parliament and are not considered to be electorally significant parties, although al-Haqq has gained some popularity in the past few years. The importance of these smaller parties in the JMP coalition is largely in displaying to the regime that all of Yemen's opposition parties are united under one umbrella; there is low ideological and policy consensus between the member parties.

The GPC is Yemen's ruling party, and dominates the country's formal political party environment. Its key function, and purpose, is to extend patronage to politically and socially relevant elites and to provide the formal institutional base of support for President Ali Abdullah Saleh. The GPC is not an ideological party but like the JMP it incorporates a diverse group of elites under a broad umbrella. Unlike the JMP, however, membership in the GPC brings benefits for ordinary citizens, many of whom are able to obtain employment or other tangible benefits. Generally speaking, membership in the JMP does not bring benefits to ordinary citizens.

Elites within the political party system are *not* the most powerful actors in the Yemeni system as most, though not all, are not considered members of the regime. Most, however, are considered part of the 'establishment' that maintains the political status quo. The party elite has been chosen for this study for several reasons, the most important of which was the desire to explain the failure of the JMP to galvanise

wider support for its demands for political and economic reform. The second reason is the impossibility of obtaining candid access to a *representative* selection of the power elite who would be willing to speak on the record.

The 'regime' refers to the network of elites (now predominantly tribal and military personalities) whose interests are considered on an ad-hoc and fluid basis by the president and his inner circle in political decisions. Being a member of the GPC does not imply a person's membership in the regime and neither does a person's membership in the regime necessarily indicate that they are members of the GPC, although there is greater correlation on the latter point. There are several – non-mutually exclusive and fluid – pillars of political power in Yemen, including the tribal elite, the religious elite, and the military elite⁵ and the more politically significant actors within these groups are, the more deeply embedded they are in the regime's patronage networks.

The regime's 'inner circle' refers to a narrow and highly opaque group of approximately 50 people that surround President Ali Abdullah Saleh, and are drawn from his family and tribe – the Sanhan. The members of this group who serve as military commanders are well known to the Yemeni public but the rest of this group are covered in a shroud of secrecy. It is the inner machinations of this inner circle that is most crucial to the developmental trajectory of the Yemeni state and, as is discussed below, is the most difficult group about which to gather verifiable data. The president and his inner circle are the most politically powerful group in the country, and in many ways the regime is best understood in dynastic terms. The close kin, extended family and followers are the most important players in the game.

⁵ With few exceptions, business elites are members of one (or more) of these other three groups.

Methodology

This is primarily a qualitative study that combines data gathered from semi-structured questionnaires of political actors within Yemen, interviews with Western donors and local actors, government records, media reports, and observations made during several years of previous field research. The questionnaire was developed to provide a sound empirical basis from which to test some of the hypotheses that were generated in the first phase of DLP about why some leaderships are able to respond effectively to serious crises and others are not.

The Questionnaire

As this study is based on the premise that Yemen is facing a multifaceted series of threats, it was necessary to ascertain whether technocrats and the political party elite as individuals shared this view. The questionnaire (see Appendix I) aimed, therefore, to first determine whether – and to what degree – interviewees believed there were serious problems facing Yemen. If an interviewee believed that there were serious problems, he⁶ was asked what they believed the primary causes of the problems to be. The aim of this was to determine whether they believe that the country is at a critical juncture and that action is required. If this is not the case it would indicate the presence of a very significant gap between the views of external observers (particularly Western governments, donors, and aid agencies) and Yemen's technocratic and political party elite. If there is the perception that a crisis is looming then it raises the question of why so little has been done to prevent it from building.

Selection of Sample

The criteria for selecting participants were necessarily somewhat subjective, and related to those whom the research team was able to access. The sample of 64 respondents was divided into two approximately equal groups of 35 from the GPC and 29 from the JMP. The aim was to survey as wide a group as possible among those within the JMP and GPC that are at least somewhat developmentally inclined. This study considered the term 'developmentally inclined' to consist of three broad benchmarks: at the lower end of the spectrum of those who can be considered at least nominally developmentally inclined believe that the rule of law and the guarantee of equal citizenship are necessary functions of the state. The research team estimated this view is genuinely held by about 70 percent of the total bureaucratic and party elite. The next benchmark refers to those who believe that anti-corruption legislation should be strengthened, that strong state institutions are necessary, and that there should be relatively equal opportunity of access to government employment. We estimate that this view is genuinely held by about half of the total bureaucratic and party elite. Finally, we consider the third benchmark to be those who might be termed liberals, and believe that there should be equal opportunities for women and greater government transparency. We estimate that around 25 percent of the total bureaucratic and political party elite fall into this category. Under these guidelines, close to 95 percent of those surveyed for this study are at least somewhat developmentally inclined.

The GPC Permanent Committee consists of 1300 members, but the vast majority of members have little political relevance. Those who are involved in setting the direction for the party number around 300, and include the 229 members of parliament (which includes the 33 cabinet members), the members of the General Committee (which usually varies between 30-33),⁷ some members of the Shura Council,

⁶ All of the participants were male; there is a dearth of females in positions of public authority.

⁷ The number of the General Committee is not constant. It is composed of one representative for each governorate (21), the president and vice presidents of GPC (4) Secretary General and assistant Secretary Generals (4), 4 female representatives, the Speaker of Parliament, Speaker of Shura Council and Prime Minister. Some of these positions may overlap or can be occupied by non-party members. Therefore, the number in the General Committee usually varies between 30 and 33.

and some heads of government sectors and departments.⁸ Therefore, of this 300, about 200 would at least fit into the first category of being developmentally inclined, about 150 would fit into the second, and around 75 belong in the third category.

The JMP sample was divided into 12 Islah, 6 YSP, 3 Nasserist, 5 Ba'ath, 3 Hizb al- Haqq members. These participants were members of parliament and members of the leadership of these parties. In some instances the selection was made by the relevant party itself. Islah, Ba'ath, al-Haqq, and Nasserites assigned their representatives. The YSP assigned some of their representatives and others were encountered in meetings. The GPC was less willing to provide the research team with such lists, so participants were selected on the basis of their participation in developing policy (those who had been vocal in proposing policies in the past or who have access to the power centres that formulate policy). These elites are some of the best-educated and – for those in the GPC – the best positioned to help implement the technical solutions that the president Ali Abdullah Saleh continues to call for in his rhetoric.

Two important qualifications are necessary regarding the sample selection. This study was conducted during 2010 – a critical juncture for Yemen⁹ - and examined an unfolding story about the attempts by some elites to work against a perceived threat to the viability of the state. It remains possible that key players will shift their positions to become more willing to work toward a developmental outcome and that they will be more effective at this than appeared likely during the period of the study. The Tunisian and Egyptian uprisings in early 2011 strongly suggest that the Yemeni regime will have to make greater concessions than they previously believed necessary.

With a few exceptions it was not possible to interview members of the regime's inner circle for this study and it was, therefore, not possible to directly ask them about their perceptions of the threat facing the country. Their perceptions are crucial because, at least within the prevailing structural constraints, they are the ones capable of affecting change most rapidly if they perceived sufficient incentives to do so. This study has used the observations of other elites, analysts, and their public record of behaviour to determine the reasons for this apparent unwillingness. The *Policy Implications* section below argues that, for this reason, it is imperative that external actors seek to engage directly with the inner circle.

⁸ The difference between a "sector" and a "department" within the GPC's categorisation was unclear.

⁹ The field research commenced just one month after the attempted attack on Flight 253 to Detroit (Christmas Day 2009) was traced to al-Qa'ida in Yemen (al-Qa'ida in the Arabian Peninsula). This attack closely followed the US-assisted airstrikes against al-Qa'ida members in Yemen, which intensified suspicions about foreigners and foreign governments in Yemen, and contributed to the belief that a US military invasion might be imminent.

The Nature of the Threat Facing Yemen

After years of unrealised promises to implement major reforms to prevent an economic collapse and reduce political violence, the Yemeni regime is grappling with severe challenges on several fronts simultaneously. This section will outline the nature, and the local perceptions, of those challenges.

A Dysfunctional Political Settlement

A state is dysfunctional when its institutions exacerbate or entrench economic malaise or cycles of violence but dysfunctional qualities can find equilibrium, giving the overall impression of stability. While the dysfunction may acutely affect the poor (though unreliable access to basic commodities, services, and security), the elite may not experience it until there is an extraordinary change – a trigger – in the environment to which their institutions cannot adapt. This variation in perception between those included in the system and those excluded from it is critical. In the view of Yemen's power elite (the president and his inner circle), the situation has not been seen as so unstable as to warrant systemic political change. Reforms have, therefore, been largely ornamental, and designed to protect the dysfunctional political settlement from which they benefit. To the political elites that are excluded from this narrow group, and to the population at large, the view is more nuanced and, as is discussed throughout this paper, much more attuned to the regime's inability to adapt to change or critical junctures.

It is important to bear in mind that the relatively effective political settlements found in Western states were forged over periods of centuries and were usually the result of protracted violent conflict.¹⁰ Dysfunction usually does not dissipate easily or quickly and historical context is important. Yemeni officials often make the point that despite its apparent instability, Yemen has in fact seen tremendous development within a short period of time. Just fifty years ago north Yemen was ruled by a dynastic Imamate that, until 1947, prevented people from leaving the country to pursue education (Burrowes, 2005). The areas in south Yemen surrounding the city of Aden did not gain their independence from Britain until 1967, and the Republic of Yemen was not created until 1990. With the many centuries that it took Western states to forge viable political settlements, it should not be surprising that Yemen's political foundations are still under negotiation less than one generation after they were established.

Declining Resources

The most serious short-term threat facing Yemen is that oil production has fallen faster than the government had anticipated and there is no other source of income likely to replace it before oil revenues drop to, or below, subsistence level.¹¹ The Yemeni economy is in serious trouble: the budget deficit was estimated to be 9.3 percent of GDP for 2010 (Economist Intelligence Unit, 2010a) and the country's main export (oil) is depleting by around 4 percent per year (World Bank, 2010: 2).¹² In 2010, for example, the government's operating costs are expected to exceed its income by around 30 percent (Risk Watch, 2010).¹³ The regime now has less money to distribute through its networks. Oil revenue dropped by around 40 percent in 2009, further hamstringing the government's already strained budget,

¹⁰ See Laws, 2010 for a discussion of the process by which the political settlement was forged in 17th Century England. For a more general discussion of political settlements, see Parks and Cole, 2010. See also Tilly, 1985.

¹¹ Yemen consumes a considerable portion of the oil that it produces and so "oil subsistence" refers to the point at which it is no longer producing enough oil to service even its domestic needs.

¹² Higher international oil prices have made some previously decommissioned oil fields profitable again, but it is not possible to confidently predict the possibility of new oil fields coming online because this is dependent on several variables, including whether new discoveries are made, the ability of oil companies to raise the funding to extract the oil, and the international price of oil. Some within the oil industry remain confident that new discoveries are still likely, but the minimum time from discovery to production has thus far been four years.

¹³ This source cites "Estimates close to the government" who put "the state income for 2010 at US \$ 7.6 billion, while expenditure at US \$ 10.60 billion."

and the Economist Intelligence Unit estimates that Yemen's real GDP growth for 2011-12 will drop to an average of less than 3 percent, which is less than the country's annual population growth, and "insufficient to prevent increasing economic hardship" (Economist Intelligence Unit, 2010b). That 40 percent is not being recouped through gas exports, greater foreign investment, or labour remittances, for reasons that are largely political and are discussed below. While the regime has publicly claimed that the revenue from gas exports would largely replace the income from oil exports, in May 2010 it admitted that the income from gas was less than one-quarter of what had been hoped for 2010 (Mareb Press, 2010a). Despite these declines, almost nothing of substance has been done to plan for a post-rentier economy.

In June 2010, President Saleh announced that Yemen had in fact already become a net oil importer (Saba News, 2010a). If true, this would have meant that Yemen's political economy, which is so heavily reliant on the centralised dispersal of oil rents, could no longer continue to operate in the manner that it had since oil exports began. However, it appears that President Saleh was intentionally understating the country's oil exports in an attempt to convince donors to approve direct budget subsidies instead of the more conditional assistance that was then on the table. In the weeks leading up to President Saleh's announcement he was applying pressure on donors to offer direct budget support. Negotiations with the IMF collapsed for this reason, with the Yemeni government insisting that the IMF offer a direct budget subsidy of \$US1.5 billion per year, while the IMF was offering \$US350 million over three years in balance of payment support. The government was ultimately unsuccessful in its bid.

Just two months after President Saleh's startling announcement, Yemen's Oil Minister, Amir al-Aidaroos, reported triumphantly that the country's oil revenues had risen dramatically in recent months. One state-owned news agency reported that "Yemen's share of oil revenues for the year totalled \$1.132 billion, sharply higher than the \$483.24 million for the same period of 2009" (Yemen Observer, 2010).¹⁴ The blatantly contradictory statements of the president and the minister – by no means unusual in the Yemeni context – illustrate that even the country's most important economic data can be open to interpretation. This level of opacity compounds speculation that the country stands at a dangerous precipice, and facts and counter-facts are volleyed back and forth with few reliably authentic reference points. Even those tasked with verifying Yemen's data for international lending institutions report their lack of confidence in Yemen's indicators. In a meeting with three senior economists from the Yemen World Bank office and the Headquarters of the World Bank in March 2010, it was acknowledged that their economic forecasts necessarily involve a level of guesswork because they must accept government statistics at face value. This level of uncertainty makes it very difficult for Yemen's technocrats and donors alike to confidently predict Yemen's future indicators with any precision. The result is that the belief in Yemen's dangerous volatility is reinforced.

Political Dissent

The political situation in Yemen is no brighter than its economic prospects; citizens are violently challenging the legitimacy of the regime with increasing regularity, and there is a visible retraction of state power on the periphery. At the time of writing the state could not reliably access significant parts of seven of its 21 governorates: Abyan, Shabwa, al-Dhala'e, Marib, al-Jawf, Sa'da, and Lahj.¹⁵ At the time of writing, the protests inspired by events in Tunisia and Egypt are growing, but their outcome is uncertain.

¹⁴ The episode was reminiscent of the period that followed the World Bank's announcement in 2004 that Yemen's oil supplies were likely to run out by 2012 (instead of in 2024 as had been previously anticipated). At that time, the state-owned media responded by inaccurately reporting that the Exploration Production Board had made large new discoveries of oil deposits on at least a weekly basis.

¹⁵ The al-Houthis currently control the majority of three governorates: Sa'da; 12 of 14 districts in al-Jawf, and they have strong influence in the entire governorate of Hajja but no military control. They also currently control two districts in 'Amraan and two districts in Sana'a. It is important to note that expectation of full territorial control only existed after unification and President Saleh has successfully maintained his power without having this expectation.

The 'Southern Movement' has gained momentum in its calls to split from the Republic of Yemen.¹⁶ Now known simply as *al-Harak* (the movement) within Yemen, the southern movement refers to a number of loosely affiliated organisations and activists in the southern governorates that are protesting against the perceived injustices of the northern-based regime.¹⁷ The southern protest movement is without doubt the most pressing political challenge facing the Yemeni regime, although the regime has yet to make serious moves to deal with the grievances being expressed.

The insurgency that is being led by the al-Houthi family in the northern governorate of Sa'da also remains incendiary despite repeated attempts to finalise a ceasefire between the government and the insurgents (International Crisis Group, 2009; Boucek, 2010a; Salmoni, et al, 2010). The Sa'da conflict has displaced around 265,000 people since 2004 and resulted in direct military intervention from Saudi Arabia in late 2009.

Similarly, al-Qa'ida in the Arabian Peninsula (AQAP) has also become increasingly aggressive and has stepped up its attacks against government personnel to an unprecedented level. AQAP has created an astute narrative surrounding the widely perceived injustices perpetrated by the regime. For example, an article in the tenth edition of *Sada al-Malahim* argued that, "The inhabitants of [the oil rich areas, Marib, Shabwa and Hadramaut] are paying for their own oppression" with the oil wealth misappropriated by their government (Al-Qa'ida in the Arabian Peninsula, 2009b: 26-7). This was an important shift in the way that oil is usually discussed in al-Qa'ida propaganda; the argument was not about the West greedily obtaining oil at any cost, but rather about local communities not receiving what was rightfully theirs because the government is corrupt and unjust. This built on a critique that was mounted in *Sada al-Malahim* two issues earlier, that:

The people of Yemen are suffering from the decline of living standards, the rise of costs, and the discriminatory practices with which the government deals with them in employment, the distribution of wealth and its looting, the misappropriation of lands, and the absence of someone to defend their rights (Al-Qa'ida in the Arabian Peninsula, 2009a: 27, cited in Harris, 2010: 36).

With an increasingly under-nourished population and a visible increase in political dissent throughout significant parts of the country, AQAP is picking up on the prevalent perception that the system is not working. There are not enough domestic resources for the oil-based patronage system to endure, and yet it appears that the regime has expended little effort on creating economic alternatives to oil.

Water, Food, and Vulnerability

Like much of the Middle East, Yemen has a large youth bulge, though like most issues of concern, this is particularly pronounced in Yemen. Over 75 percent of Yemen's population is now under the age of 25 (Assaad, et al, 2009: 10), in a country where unofficial estimates usually place unemployment at around 40 percent. Yemen is also one of the most water scarce countries in the world and it is widely believed that the capital city of Sana'a could run out of freshwater within 15 years (Naje, 2010).¹⁸ Finally, Yemen now has one of the most food insecure populations in the world, with 42 percent of children being

¹⁶ The Republic of Yemen was established in 1990 when the "northern" Yemen Arab Republic and the "southern" People's Democratic Republic of Yemen unified. The two sides fought a civil war in 1994. The post-war period established the military dominance of the northern-based regime at the expense of southern elites but it did not help to forge an effective framework of institutional power; and the rules of Yemen's political game are geared toward crisis management rather than aversion. There has been no political settlement forged between northern and southern elites that is acceptable to both sides. For more on the southern movement see (Day, 2010).

¹⁷ It is based on diverse and loosely connected threads of discontent and its lack of leadership means that there is not a consistent front for the regime to engage with. This lack of leadership is the movement's greatest strength and its biggest weakness. Its members and sympathisers are easier to divide and less strategically coherent, but they are also much harder to co-opt – something that is of considerable benefit when competing with the standard playbook of the Saleh regime.

¹⁸ However, predictions of this nature have been made for some time, see for example Ward, 2001, which argues that "In the Sana'a basin... Groundwater is expected to be pumped dry in the Sana'a basin within the next decade."

malnourished. In a recent survey on food security, the World Food Programme (WFP) reported that: “about 6.8 million Yemenis (31.5 percent) are food-insecure and, within this group, 2.5 million people (11.8 percent) were found to be severely food-insecure” (World Food Programme, 2010: 14.). As food prices reach all-time highs in early 2011 (Food and Agriculture Organization of the United Nations, 2011), these percentages will continue to climb, which will increase pressure on the Yemeni regime to increase economic opportunities for the vulnerable.

As the level of food security for ordinary Yemenis declines, popular discontent is plainly apparent, although the author is not aware of any scientific studies to determine the extent of this discontent, one indicative study warrants mention. In 2008, the Yemen Polling Center (YPC) conducted a series of training sessions that aimed to teach political party members how to conduct basic public opinion surveys. To illustrate the methodology of scientific polling, the YPC put a sample poll into the field asking participants several questions about their perceptions of the country’s situation. The results illustrated popular perceptions of the overall negative direction of travel in Yemen.

The poll sampled views from 224 participants from six governorates, only 6.7 percent of whom reported being illiterate (despite national levels being around 50 percent). This low level of illiteracy highlights that the poll must be treated as indicative only, and it cannot be considered truly random because it favoured participants from wealthier governorates and with higher than average levels of education. Further, women constituted only 10.7 percent of participants. However, the overall picture presented by the poll was compelling, particularly considering that the participants were in positions of relative advantage. In response to the question “how would you describe your living condition in the last 12 months?,” 16 percent said that it had improved, while 66.5 percent said it had become worse and 16.5 percent noticed no difference. However, participants strongly perceived a decline in other people’s situations. When asked: “how would you describe Yemenis’ living situation in general?” 84.4 percent thought the situation had become worse, while less than 5 percent believed that it had improved, and less than 9 percent saw no difference. Finally, the poll suggested that most people (54.9 percent) expect this trend to worsen over the next five years, while only 17.4 percent thought it would improve. However, what is more revealing was that the Yemeni government was so concerned by the poll that pressure was successfully applied for it not to be released publicly.

High Vulnerability, but to Whom?

The above illustrates that a large portion of Yemen’s population faces conditions of high vulnerability. But does vulnerability experienced at the lower levels of society create comparable vulnerability for regime’s power elite? This is doubtful, unless it is combined with other environmental changes. Doner, Ritchie, and Slater (2005: 328) argue that for a regime to experience an “extraordinarily constrained political environment” there must be three simultaneous conditions: the credible threat of mass unrest resulting from the deterioration of living standards – something that the toppling of the Egyptian President increases the likelihood of; an increased need for military equipment and foreign exchange; and serious budget constraints resulting from insufficient exploitable sources of revenue. The following sections of this paper will argue that while the overwhelming majority of elites within the political party system reported in 2010 to believe that the threat facing the country required urgent action, the regime’s inner circle did not. This is a critical difference in perception that begins to explain why the president and his inner circle have, despite warning signs, approached Yemen’s challenges with such apparent nonchalance. Vulnerability for the citizens does not necessarily mean vulnerability for the power elite if the power elite can continue to access military equipment and budgetary support through sources other than its citizens. As the events of early 2011 clearly illustrate, mass unrest remains the wildcard in these political environments.

The Rules of the Game: Yemen's Structural and Political Context

The West tends to see Yemen through a filter of local elites, the most accessible and persuasive of which maintain their credibility on the basis of speaking fluent English and perpetuating the external belief in Yemen's inordinate complexity and danger. This section attempts to balance this view with an outline of Yemen's power structures and the means by which they endure. It will outline a number of thematic areas, particularly the international aspect of Yemen's political viability, the securitisation of the foreign assistance offered to Yemen, and the sources of President Saleh's domestic legitimacy. It will argue that informal rules drive Yemeni politics and that engagement with these dynamics (and the agents that benefit from them) is paramount for donors that wish to influence political outcomes.

The Formal Institutional Context

As is true in many developing polities, the most notable feature of Yemen's formal institutions is their relative lack of salience compared to the informal institutions. Neither power nor wealth are generated or transmitted predominantly through the state's formal institutions. The power of Yemen's formal state organisations is far less than it appears on paper, and they are broadly subservient to the interests of the regime, particularly President Saleh. The same can be said for the constitution, which articulates the formal rules of Yemen's political game but is largely ignored in daily political affairs. However, while they are entirely overshadowed, Yemen's formal institutions are not irrelevant and some formal organisations, such as the parliament and some local councils, are sufficiently representative of their constituencies to act as a barometer of popular sentiment on at least a small number of issues. However, the final decision about how to respond to popular concerns raised through these organisations remains the purview of a narrow group. Yemen's formal organisations, particularly the military and the ruling GPC, are also important to the regime's ability to reproduce its rule throughout the country. The formal organisations that possess even a modicum of popular representation are also crucial to the regime's ability to interact with Western government and donor agencies.

The Formal Political Settlement

The Republic of Yemen was created on 22 May 1990, when North Yemeni President, Ali Abdullah Saleh, and South Yemeni Secretary General, Ali Salem al-Beidh, finalised the unity agreement between the two neighbouring states and raised the flag of a united Yemen for the first time. The haste with which unification was achieved proved a key determinant of how Yemen's formal institutions were forged, and gives important clues regarding the gap between the formal organisations and the informal political processes that drive actors' behaviour.

Throughout the 1970s and 80s, there was a series of unsuccessful attempts to unify the two states and so when the leaders agreed again in May 1988 to: "revive the unified political organisation as stipulated in Article Nine of the Tripoli statement" (an agreement to unify north and south Yemen made 1972), many observers believed that this was likely to be another false start (Whitaker, 2009). However, as popular anticipation built, so too did pressure on the two leaders to finally conclude a binding agreement. That agreement was made in November 1989 at a summit in the southern capital of Aden, and formal unification took place just six months later, although it was originally intended that there would be a full year dedicated to the transition.¹⁹

¹⁹ Debate continues over the precise reasons for such a speedy merger but the collapse of the Soviet Union – the major patron of the South Yemeni state – and the discovery of oil in the border areas of the two states certainly created strong incentives to act on both sides of the border. International geopolitics was also an important factor, and Saddam Hussein saw Yemen as a key player in his increasing belligerence against Saudi Arabia and Kuwait. In 1989, the Arab Cooperation Council (ACC) was established between Iraq, North Yemen, Egypt, and Jordan, as an explicit challenge to the Gulf Cooperation Council (GCC). Saddam supported Yemeni unification, and many argue (including Ali Salem al-Beidh), that Saddam paid money directly to President Saleh for him to rush unification. Of course, al-Beidh has other motivations for making such a claim but it is clear that Iraq's influence was strong in the

The new Yemeni constitution (ratified in 1991) laid the formal foundation for a democratic state. Universal suffrage was granted to citizens over the age of 18, with the promise of regular elections, and considerable freedom of expression and political association. The regime of Saudi Arabia, denounced the notion of elections, and particularly the inclusion of women in the process, as “un-Islamic” (Carapico, 2004: 28). To many other observers, however, the new Yemeni constitution was a remarkably liberal document and there was considerable optimism that it signalled the growth of the “third wave” of democratisation in the historically illiberal Middle East.²⁰ The idea that Yemen is a transitional democracy remains an important part of the Yemeni government’s credibility with Western donors, despite the fact that the liberalism outlined in the first constitution has been substantially eroded in subsequent constitutional amendments (in 1994 and 2001). This point will be revisited shortly with regard to the regime’s ongoing reform agendas, and the role of Western donors.

A question that continues to puzzle observers is why the new government opted to ratify a constitution that was such an apparent political outlier in region? One possible answer is that Yemen has a strong consultative tradition, albeit among elites, and that traditional tribal authority is founded on a relatively egalitarian basis and is consensus-driven. A sheikh is, at least ideally, a representative of his community to outsiders and is not a law unto himself. Some have argued on this basis that these traditions render Yemen more likely than some other Arab states to weave these local political norms into a formal democratic system.²¹ It is also widely argued that because Yemen’s tribes are so well armed the regime believed that it needed to establish organisations that were capable of bargaining with a diverse array of local leaders, many of whom aspired to a considerable level of autonomy from the state. Others have argued, however, that the notion of a democratic transition was cynically intended to attract Western donor aid. Judging from the way that Yemen’s requests for foreign aid are often qualified with a reminder that such assistance would “ensure the continuation of democracy”²² lends some credence to this claim.

However another important, and often-overlooked, factor was the speed with which unification was achieved. Being drafted in haste, the 1991 constitution was based on an existing document that had been principally drafted in the 1970s by two technocratic constitutional scholars, Isma’il al-Wazeer and Hussein al-Hubbeishi.²³ The earlier document was drafted after the Tripoli Statement (1972) pledged that the two countries should be unified. At the time, that pledge was not believed to be sincere by either side and consequently it was not believed that the resulting constitution would be implemented. The drafters were thus given considerable latitude to craft a document, the outcome of which was one that adhered more to international constitutional norms and best practices than it did to Yemen’s political realities.²⁴ Being drafted on this basis, the 1991 constitution did not outline the de facto rules of Yemen’s political game. In a further indication of the document’s detachment from local realities, it was amended in 1994 after the civil war and again in 2001, with each amendment rolling back the promises contained in the initial document, and extending the power of the executive.

Prior to unification, the leaderships on both sides of the border considered informal politics to be the main theatre of political competition, and neither state was notably limited by the dictates of their constitutions. In the south, for example, the national formula (*al-mu’adalah al-watania*) was an informal

process of Yemen’s unification.

20 Some prominent examples within this literature include Baaklini, Denooux, and Springborg, 1999; Brynen, Korany, and Noble, 1995; Carapico, 1998; Waterbury, 1997; Norton, 1995–96.

21 This is discussed further in Phillips 2008, 89.

22 (Then) Prime Minister Abdul-Kareem al-Iryani addressing the *Conference of Emerging Democracies* in 1999. Cited in Dresch 2000, 212.

23 Al-Wazeer trained in Egypt, al-Hubbeishi trained in the United Kingdom. These men were both from the north and there were southerners involved in the process as well.

24 The imprint of the two existing constitutions on the draft unity constitution was relatively minor as the northern constitution explicitly banned pluralism, and the southern constitution was heavily influenced by the Soviet model.

understanding that all major social and regional groups should be represented at all levels of government. Every time the 'formula' was challenged – in 1969, 1978, and 1986 – there was serious armed violence that resulted in a shift of political power between the elites from one regional group to the other.²⁵

The President, Western Donors, and the Language of Technical Reform

As noted above, the influence of Yemen's formal institutions and organisations on the behaviour of the regime elite is minimal but cannot be entirely ignored, largely for the role that they play in dealing with Western government and donor agencies.

President Saleh has long adopted the language of developmental reform. In an initiative announced on 22 May 2010, he called for a serious and "responsible national dialogue... among the full political spectrum and all of the sons of the homeland in the country and abroad." In a subsequent cabinet meeting he vowed "to go on with economic and administrative reforms, cut down on public expenditure, re-evaluate the subsidies on petroleum products, raise civil service and military salaries, and expand the social welfare network, stop diesel smuggling, review the natural LNG contracts," and reaffirmed his intention to expand local administration. He also "renewed his call for serious and responsible dialogue" with national political forces based on his 22 May initiative, saying that "dialogue is the optimal method for dealing with country's problems" (Saba News, 2010a). As yet, his actions have failed to match his rhetoric on each of these points, and each issue has been a standard part of his public rhetoric for at least the past several years. Furthermore, Saleh's proposed a package of constitutional amendments in early January 2011, in which the two-term limit for a president was removed. This left little doubt that his intention was – at least until events in Tunisia and Egypt articulated serious cautionary tales – to further centralise political power. As the protests worsened in Egypt against President Mubarak's longevity, President Saleh moved to reassure Yemenis that he did not intend to stay in office after the 2013 elections.²⁶ As this section will demonstrate, there is a clear incentive for President Saleh to use developmental language, but there is a clear threat to him and his inner circle if he was to implement developmental policies. Furthermore, this perception has been reinforced by the actions of Western donors, particularly the United States, through the prioritisation of security objectives in their engagement with Yemen.

First, some historical context is necessary. In November 2005, President Saleh visited the United States and was reportedly expecting a warm reception for the demonstrable progress that his regime had made against al-Qa'ida in Yemen.²⁷ In late 2005, al-Qa'ida affiliates in Yemen were no longer considered to pose a serious threat, having been largely defeated, and its members either killed or imprisoned. Instead of accolades for progress on security objectives, President Saleh was admonished for the rising levels of corruption in all levels of the Yemeni government. President Saleh was told by the CEO of the Millennium Challenge Corporation (MCC), John J. Danilovich, that Yemen was no longer eligible to take part in the threshold program due his government's failure to satisfy a number of anti-corruption criteria.

That evening, President Saleh met with Secretary of State Condoleezza Rice, who also "rapped him over the knuckles" for failing to deliver on his previous promises to implement necessary political and economic reforms.²⁸ She told him that if he did not begin to instigate credible reforms, the US would not view him as a legitimate candidate in the 2006 presidential elections. The following day, the World Bank

²⁵ The two regional groups were Shabwa-Abyan, and Dhala'e-Yafa'a-Radfan.

²⁶ In 2005 President Saleh also promised not to seek re-election in the 2006 presidential elections – a promise that he later retracted.

²⁷ Interview with a source close to President Saleh in Sana'a: January 2006.

²⁸ Interview with American diplomat, Sana'a: January 2006. This was corroborated by a source close to President Saleh in Sana'a: January 2006.

followed suit and reduced its upcoming three-year loan package by 34 percent (from \$420 million over three years to \$280 million), also citing Yemen's lack of transparency and good governance.²⁹ President Saleh was stunned at the very public rebuke,³⁰ and promptly fired his economic advisors. Shortly after his return to Yemen he sponsored a new National Reform Agenda by the Ministry of International Planning and Cooperation (MOPIC) to improve "Yemen's investment climate and strengthen... democratic institutions" (MOPIC, 2006: 1). However, the message that was, certainly unintentionally, conveyed to President Saleh during his trip to the United States was that without the threat of al-Qa'ida, Yemen could be subject to much more stringent conditions on its domestic politics (Johnsen, 2010b).³¹ In February 2006, 23 al-Qa'ida suspects broke out from a maximum-security prison in such an audacious escape that it is widely understood to have been impossible without inside assistance. Some of those 23 men went on to establish al-Qa'ida in the Arabian Peninsula (AQAP), and Yemen's problem with militant jihadis was back on the international agenda.

Meanwhile, the National Reform Agenda (which President Saleh had announced shortly after the trip to the United States) was adopted as a pillar of the president's campaign in the September 2006 elections. The elections were deemed relatively free and fair by international observers and were followed in November by a conference at Lancaster House (London), in which Western and GCC donors pledged a total of \$US4.7 billion dollars worth of aid to Yemen. By mid-2007, the Millennium Challenge Corporation was similarly encouraged, and determined that Yemen had made sufficient progress in anti-corruption measures to be re-admitted to the threshold program. At the time Yemen's re-admission was seen as a considerable victory for reformers within the government, who had worked to lay the foundations for more robust anti-corruption legislation.

However, as the final preparations were being made in October 2007 to sign over the \$US 20.6 million dollars in development aid that Yemen's reacceptance to the MCC brought, President Saleh elected to release Yemen's most-wanted al-Qa'ida operative (the architect of the *USS Cole* bombing Jamal al-Badawi)³² to house arrest. He did this very publicly and reported to have made his decision because he had extracted a promise from al-Badawi that he had renounced violence. The timing of al-Badawi's release – which occurred the day before the \$20.6 million was to be delivered to the Yemeni government – makes it almost incomprehensible that President Saleh was not underlining his autonomy from American money, and possibly from the expectations of the technocrats in his government. The United States was furious and instantly suspended Yemen from the MCC program again, this time for failing to cooperate on counterterrorism measures. Those in Yemen who had worked toward reinstatement were angered by the suspension and felt that the United States had betrayed them by moving the goalposts in a program that was ostensibly unrelated to security objectives.³³ The reformers complained that the suspension only handed ammunition to those that were already opposed to reform. The message that was reinforced this time was that where the United States is concerned, political development comes a poor second to cooperation against al-Qa'ida. The inconsistency with which the United States has pursued political reform and security objectives in Yemen has undermined its ability to argue that security and development are indivisible elements of a coherent policy.

Some of the GPC's genuine reformers, including Jalal Yacoub, then a Deputy Minister in MOPIC, decided

29 This was also combined with a loss of donor income from the IMF, which has been withholding US\$300 million in concessional finance since 2002 owing to the government's failure to comply with IMF poverty reduction and growth facility reforms (Economist Intelligence Unit, 2006).

30 Interview with American diplomat, Sana'a: January 2006. This was also corroborated by a source close to President Saleh in Sana'a: January 2006, and subsequently by other Western donors.

31 Gregory Johnsen (2010b) cites an interview with "one of the individuals who was on the plane" with President Saleh who said that the president came away from the meetings with the strong sense that "without an al-Qaida problem in Yemen, Yemen was just one more poor country in a world of beggars."

32 Badawi escaped from a Sana'a prison along with 22 other men affiliated with al-Qa'ida in February 2006.

33 The author was in Yemen working at the National Democratic Institute at the time and was involved in a number of conversations with reformers about this issue.

to try to convince donors to return to Yemen. In 2008, Yacoub wrote an article in the newspaper *Yemen Today*,³⁴ which argued that the government needed to pursue ten reforms as priorities in order to maintain Yemen's viability.³⁵ Despite Yacoub's position in MOPIC, the plan was not developed as a ministerial initiative but instead appeared to be in competition with the National Reform Agenda that was being championed through MOPIC. Yacoub's idea evolved into the "Ten Point Plan," which was also supported by two others in the "Executive Committee,"³⁶ and has since attracted some Western interest. In the words of one Western donor, the Ten Point Plan seems at least partly a public relations initiative by reformers to say to donors: "don't give up, don't give up."³⁷ Western donor assistance was sought for the plan from 2008 but donors were uneasy about the apparent unwillingness of the Executive Committee to approach the regime for funding, which raised questions over whether the plan really had the support of President Saleh. In August 2009, President Saleh officially endorsed the plan, but at the time of writing, donors and diplomats in Yemen report that they are still uncertain of his actual level of commitment.³⁸

From the outset, there were questions over who would fund the initiative. Western donors argued that if the Yemeni government wanted to demonstrate that it was serious about reform, it should fund at least one of the ten initiatives as an indication of commitment. The Committee openly considers the first of the 'ten points' to be the most fundamental of the overall strategy. The first point is a plan to reinvent the civil service by bringing in 100 highly skilled technocrats, through a "comprehensive program to attract talent into the civil service." These 'top 100' (later increased to 150) would be recruited on merit, offered attractive salaries, and given wide latitude to improve the efficiency of the bureaucracy. As one Western donor said:

We told them that they could afford it; it would not have been very expensive. However, the concern was not that the Yemenis were asking for something that they could afford, it was a question of political commitment: why aren't they funding this themselves when it is affordable? If [the Committee] can't even persuade President Saleh to fund this inexpensive initiative, what does it say about his commitment to the Ten Point Plan more broadly?³⁹

Despite this, pressure increased on donors to fund the plan and again, assurances were offered that the plan was supported at the highest levels of the regime and, moreover, that there was an insider who would ensure its passage through any informal obstacles. It was later revealed that this insider was President Saleh's son Ahmed Ali, although his identity was initially not known for certain by donors. The secrecy surrounding the group's patron led to the Executive Committee to be informally dubbed "The Committee with No Name" by some donors.⁴⁰ At one point, the pressure for external funding became so intense that one Western donor noted:

If we were to sign over any money for this plan, I would have to say to my government that that my Yemeni counterpart is a member of the president's family whom I cannot name, and whom my minister cannot meet. I understand that informal structures exist, and that they exist everywhere,

34 *Yemen Today* is run by Faris Sanabani, who has access to President Saleh but is not a member of the regime's inner circle.

35 For local commentary on the origins of the plan, see MacDonald, 2010.

36 The Executive Committee was consciously styled after the organisation of the same name in Dubai that Sheikh Rashid championed in the 1970s. The other founding members of the group were the head of the General Investment Board Salah Attar, and Assistant to the President's Press Secretary Faris Sanabani. The Deputy Minister of MOPIC Hisham Sharaf joined later as did the Head of the Customs Authority, Mohammed Zimam, Minister for Oil Amir al-Aidarooos, Minister for Justice Ghazi al-Aghbari, and President Saleh's son Ahmed Ali. While the Committee is styled after its Dubai namesake, the other aspects that defined the Dubai group – particularly the time that Sheikh Rashid devoted to educating its members at leading international universities, and his extensive funding of international study trips – are not a part of the Yemeni group's makeup.

37 Phone interview with Western donor, November 2010.

38 Phone interviews with four Western diplomats and donors. October and November 2010.

39 Phone interview with Western donor, November 2010.

40 Phone interviews with three Western diplomats and donors. October and November 2010.

but we cannot support such an opaque shadow state.⁴¹

This illustrates a serious tension for donors. They need to engage with their formal counterparts, such as MOPIC, but to be effective they also need to engage with the real power brokers in the shadow state. How donors reconcile these two is one of the most fundamental questions that they face, particularly when they are not willingly given direct access to the real decision makers. At the same time, donors need to push much more consistently for this access.

Despite early reservations surrounding the Ten Point Plan, it has gained traction internationally, and as one Western diplomat argued: “They have used external support cleverly, particularly the Americans and the British. [US Secretary of State] Hillary Clinton specifically mentioned the Ten Point Plan, as did [former UK Foreign Secretary] David Miliband, and they [the Committee] talk about the way that the US and the British like the plan. I think this shows how dependent it is on external support.”⁴²

The Ten Point Plan (which has since shrunk to between three and five points) argues that the reforms it suggests are part of an urgent rescue plan intended to quickly stabilise Yemen’s economy. It offers technical solutions to Yemen’s bureaucratic inefficiencies, but does not address the deeper political processes that either permit or prevent their implementation. The issue of elite corruption is strikingly absent, particularly with regard to the diesel smuggling that occurs within the upper echelons of the regime, at a cost of at least \$US1 billion annually.⁴³ The waste inherent in subsidising diesel is discussed by the plan but is addressed as though it is only a management issue that can be fixed by trimming costs. For example, the plan argues that the country can save about \$US200 million a year by reducing the amount of the subsidy; in other words, that by reducing the subsidy, the country can save about one-fifth of what members of the regime siphon each year through smuggling.

The Executive Committee is proud that the plan is a more honest reflection of domestic realities than previous reform plans, particularly the National Reform Agenda (2006) – and is not simply a product of donor pressure. However, the National Reform Agenda put anti-corruption measures as its first priority (MOPIC, 2006: 1), while the Ten Point Plan does not address the matter directly at all. As one member of the Executive Committee, noted in an interview: “The solution to Yemen’s problems is the top 150. Unlike the other reform programs that are forced on us by outsiders we have the Ten Point Plan, which we developed ourselves.”⁴⁴

The evolution of the Ten Point Plan illustrates that the regime is both pragmatic and rational, and is also very capable of responding astutely in its interests to Western signals about its desired behaviour. The Executive Committee has hired the international management consulting firm, *McKinsey*, to refine the plan (and presumably pitch it towards a Western audience) at a cost of \$US9 million.⁴⁵ A leaked copy of McKinsey’s 58-page draft White Paper, “The Yemen Rescue Plan” (September 2010) reveals that the word “corruption” appears only once, and even this is only in passing.⁴⁶ The crux of the argument is that

41 Phone interview with Western diplomat, November 2010.

42 Interview with Western diplomat, October 2010. For an example of explicit attention the authors of the Ten Point Plan give to the international accolades the plan has received. See for example Yaqoub 2010.

43 Diesel smuggling is a perennial problem in Yemen, and it is widely estimated that around 50 percent of the diesel that Yemen imports and subsequently subsidises is then smuggled (or transferred on paper) by the regime’s elite, who resell it at the international price. Local observers estimate, for example, that one particular member of the regime’s inner circle made \$US155 million from diesel smuggling in 2006, and that this man’s profit was not unusual. The World Bank second Quarterly Report for Yemen for 2010, shows that the amount spent on subsidies have changed little between 2009 and 2010 (it has increased from 8.2 to 8.7 percent of GDP) despite there being acute diesel shortages on the Yemeni street (World Bank, 2010). Diesel is the most heavily subsidised item in Yemen.

44 Response to the questionnaire administered in Sana’a between March-July 2010.

45 Interview with a member of the Executive Committee, September 2010.

46 The passage in which it appears says: “It is believed that these programs [i.e. the priorities for reform] will jump-start a positive process of growth and reform in Yemen, but this is only the start. Their successful execution must be followed by further efforts to expand government capacity and renewed focus on the many other challenges facing Yemen today – such as improving education and healthcare, fighting corruption, building roads, enhancing business regulation, and repairing the social safety net.”

the Yemeni government requires foreign assistance to build capacity:

in order for Yemen to reverse this decline, the government will need to drive improvement in its execution capability... Yemen will require significant support from its donors if it is to achieve the aspired levels of investment and job creation.

This pragmatic response to external pressure – which was also apparent in the events that followed President Saleh's visit to the United States in November 2005 - probably grants Western actors more leverage than they believe they have. The fact that the reform agenda is given such prominence in the president's rhetoric suggests that the issue of reform is about more than the possibility of attracting Western donor funding – the amount of which is quite insignificant when compared to what has been available by Yemen's neighbours. In fact, it points to two of President Saleh's perceived vulnerabilities: his desire to maintain the constitutional legitimacy that separates him from his inner circle, and the belief that he has does have something to fear from the West; most likely the possibility of either criminal prosecution or of military invasion. President Saleh, therefore, has tangible incentives to maintain the view among Western governments that he is willing to enact reforms but is structurally constrained by an inefficient bureaucracy. The Western plan to "stabilise" Yemen (USAID, 2010a), which now forms the basis of donor engagement in Yemen takes this too much at face value. The stabilisation strategy does not directly address the drivers of Yemen's downward trajectory but instead tacitly assumes the existence of an environment in which technocrats hold the reigns. Focusing on the technocrats assumes that the political barriers to their ascendance have already been removed.

The Informal Institutional Context

The Tribes

The tribes are the most widespread social forces in Yemen but their level of influence at the national level varies greatly depending on their proximity to the regime. The president's tribe, for example (the Sanhan), is small but enjoys tremendous access to state resources. It is from this group that the regime's inner circle (discussed below) is drawn. The Sanhan is a member of the Hashid tribal confederation, which is the smaller but more internally cohesive of the two major northern tribal confederations (the second major confederation is the Bakil). Both confederations, though particularly Hashid, have disproportionate influence at the elite level, and at the lower levels of the tribal hierarchy, members have disproportionate access to employment in the military and security apparatus. This furthers the degree to which the regime's inner circle needs to include Hashid and Bakil elites' interests in their decision-making.

While only perhaps twenty percent of the total population considers their tribe as their primary unit of identity,⁴⁷ the tribes – and particularly their potential to engage in armed rebellion – are a significant factor in the regime's political calculations, and there is an element of mutual reliance between the regime and some tribal groups (particularly the Hashid and Bakil). Tribal militia groups have been raised to defend the state against external aggression on many occasions, including against the former South Yemen and Saudi Arabia, against the breakdown of unification in 1994, against domestic armed uprisings such as the al-Houthi uprising that began in 2004 and, more recently, against al-Qa'ida. The *Small Arms Survey* (2003: 28) reported that Yemen's tribes held a total of approximately 5.58 million small arms, and that the sheikhs personally held a further 184,000 or so, compared with the state's total of about 1.5 million.⁴⁸ While notional, this estimate clearly underlines the extent to which the Yemeni state lacks a monopoly on the legitimate use of force and is, therefore, partly reliant on the tribes for support, or

⁴⁷ This figure is only a rough estimate based on interviews with a number of local experts.

⁴⁸ The methodology of how this figure calculated was based largely on educated guesswork and should be taken as indicative only.

at least acquiescence. The regime, therefore, has incentives to strengthen the tribes, while at the same time it fears them and is motivated to weaken them. This partial dependence has been a feature of the political environment that the Saleh regime operates in, and has reduced the regime's short-term incentives to offer benefits horizontally through the tribes, preferring instead to work through co-opted sheikhs as a means of maintaining control. By fragmenting traditional power structures possible threats from potentially powerful social forces are divided into more manageable segments. In so doing, the regime has also weakened the legitimacy of the co-opted tribal sheikhs within their communities.

Many tribal sheikhs receive direct budgetary support, which is paid as stipends through the Department of Tribal Affairs, an opaque organisation that is officially attached to the Ministry of Local Affairs and which distributes money and benefits to tribal leaders deemed politically relevant by the regime. One tribal sheikh who received a monthly stipend from the Department described its careful application of carrots and sticks:

The more [the sheikhs] get from the government, the more support they provide the government in doing what is asked of them. In some cases there are rebels in some tribes and the government can't intervene with the army, but they can ask the sheikh to suppress the rebellion... Now all the big sheikhs get all the funds they want from the government. If he challenges the government, he will lose these benefits.⁴⁹

The decision about who receives these payments are not made as a matter of public record, and attempts by parliamentarians to determine the amount of money dispersed and the reciprocal expectations have been unsuccessful: "They couldn't reply to my questions about how the money is distributed... It is rather random and it depends on the influence of the tribe on the government, it is not distributed by merit, but by good relations with the government."⁵⁰ As Paul Dresch observes, resentment has been steadily building against the fortune that the co-opted sheikhs have amassed as the regime increased its reliance on financial co-optation rather than bargaining with local communities. Many tribespeople feel that the shift towards cash incentives has been made at their expense. As a consequence, Dresch argues, even the most cohesive of the tribal confederations, the Hashid, is unlikely to stand behind a sheikh as forcefully as it would have done just twenty years ago (writing in 1995, 40).

Until Yemen's oil era began the late 1980s, the nature of tribal leadership had been quite constant; the status of a tribal leader (sheikh) was based on a combination of heredity, merit, and the acceptance of that status within their tribe. In the oil-era, the regime of President Ali Abdullah Saleh intentionally provided incentives for offering loyalty to the regime, often at the expense of the sheikh's traditional obligation to promote the welfare of his tribe to the central authorities. The norms of tribal codes of conduct and conflict resolution entered a state of flux, being reinterpreted and renegotiated according to the selective favours offered by the Yemeni regime. As the wealth of the central state increased, so too did its ability to influence sheikhs in the periphery, many of whom relocated to the cities to manage their relations with Sana'a, which further distanced them from their tribal constituencies. As the ability of tribal leaders to draw wealth and status from the political centre increased, the bond between the sheikhs and their tribal constituents was loosened, and the level of group solidarity within the tribes has diminished as a consequence. This has greatly increased the sheikh's access to wealth but has simultaneously weakened the cohesion of their tribal support base which, over the longer term, reduces the political capital that they have to exercise against the regime. The rational desire of the regime to maintain power by undermining the threat posed by the tribes creates the collectively irrational outcome of undermining its own ability to adapt to broaden its base of support against civil unrest.

49 Interview with a sheikh (affiliated with the GPC) who receives payments from the Department of Tribal Affairs, Sana'a, November 2004.

50 Interview with a GPC member of parliament, Sana'a, October 2004.

Neopatrimonialism

The term neopatrimonial is derived from Max Weber's discussion of three ideal types of legitimate political authority: legal-rational, charismatic, and traditional. Patrimonial leadership, which Weber classes a sub-set of traditional leadership, refers to a pattern of legitimate authority in which the leader "regards all governing powers and the corresponding economic rights as privately appropriated economic advantages" (Weber, 1978: 236). A patrimonial leader exercises highly personalised authority and limits political violence by distributing benefits and/or status to those s/he rules. Weber contrasts traditional authority with rational-legal authority, wherein the leader governs through, but is also limited by "a consistent system of abstract rules which have normally been intentionally established" (Weber, 1978: 217).

This paper follows Bratton and Van de Walle's study of African politics, in characterising the Yemeni regime as neopatrimonial, that is, a type of political authority that exhibits elements of patrimonial and elements of legal-rational authority,⁵¹ and which functions within the context of the modern state-system. Bratton and Van De Walle argue that neopatrimonialism in Africa has three primary characteristics: the concentration of power in the hands of the president, "the systematic recourse to clientelism," and the selective distribution of state resources (such as public sector employment, government licences, contracts, and projects) in exchange for political loyalty (Bratton and van de Walle, 1997: 63-66). Each of these characteristics are evident in Yemen, where President Saleh governs and maintains his power through patron-client relations as opposed to law or ideology, and clients extend their political loyalty (or at least acquiescence) to him in exchange for benefits. In the Yemeni context, neopatrimonialism refers to the permeation of informal patrimonial loyalties into formal state organisations. Political parties, civil society organisations, local councils and the parliament — organisations associated with a modern state — are used by the president in conjunction with traditional informal organisations to expand his patron-client networks.

Despite the concentration of power in the hands of President Saleh, this does not necessarily suggest that ordinary Yemenis see a system of personalised rule as inherently illegitimate. In Weberian terms, patrimonialism is a specific type of legitimate authority, which does not imply that the leader is necessarily ineffective or corrupt. A large portion of Yemenis understand their socio-political reality through the lens of their tribe and there remains a strong sense that the nation is contained under the aegis of a single patron. However, there are complex reciprocities between a patrimonial leader and his/her subjects that cements their personal authority (Pitcher, Moran, and Johnston, 2009: 127). As the case of Botswana illustrates, neopatrimonial authority is not inherently incompatible with developmental leadership or democratic values, and can provide a stable basis for development in some political contexts, and under some leaders (Sebudubudu, 2009).

In Yemen, there are complex ways in which President Saleh has sought obedience and maintained his legitimacy over the course of his 32-year tenure. One of the most important of these is the promise of relative stability within a heavily armed society, and of being the provider of 'safe' and gradual processes of political and social change. For example, shortly after the 2006 Presidential elections, he stated in a speech: "The Yemeni people said 'yes' to security and stability on September 20 [election day]." He went on to highlight the dangers of American intervention by asking: "Which is better, Saddam Hussein's dictatorship or today's democracy in Iraq where massacres happen every day?... Which is better, the dictatorship of Mohammed [Siyaad] Barre or the situation in Somalia now?" (Arrabyee, 2006b). The message was clear: the stability offered by dictatorship is preferable to state collapse, and his regime stands between a collapse. This is a message that has resonance among an already vulnerable population.

51 Neopatrimonialism been most analysed with regard to leadership in Africa (Reno, 2000; Chabal and Daloz, 1999; Bratton and Van de Walle, 1997; Cammack, 2007; Cammack, et al, 2007; Migdal, 1988).

Patrimonial leadership is a long-established form of public authority in Yemen. However, the rapid introduction of oil income into the political system has also allowed the president to project an unprecedented level of centralised authority into the periphery. This has deeply affected the basis of informal, symbolic and often intangible reciprocal arrangements between a Yemeni leader and society. Central power is now more visible than at any other time in Yemen's history. But was this rapid centralisation destined to produce a predatory and collusive style of leadership, or is it possible that a more developmental outcome might have been possible had it have been chosen by the president and his regime? The following section examines that basis of the informal power arrangements that have allowed the Saleh regime to maintain power since 1978.

The literature on neopatrimonialism tends to explain the sources of political malignancy, instability, and violent conflict that often seem entrenched in this type of political authority. However, it has more difficulty explaining the ways that neopatrimonial regimes endure beyond their ability to coerce and co-opt.⁵² To understand the softer power exercised by these regimes, and the agential behaviour that becomes entrenched through repeated action, it is important to look at the sources of legitimacy within the patronage system: Which actors are included, on what basis they are included, and what their expectations of inclusion are.

The Patronage System: The Outer Circle's Political Settlement

The Yemeni patronage system constitutes the basis of the political settlement between Yemen's outer circle of elites, and is different to the political settlement that operates with the regime's small inner circle, and which is discussed separately later.

Yemen's patronage system is shaped by the fact that the state does not maintain a monopoly on the legitimate use of violence, and presides over a recently unified country that has already experienced civil war once since it was established. As a result, the regime must exercise more caution than some of its regional counterparts when applying, or threatening to apply, physical force against influential political and social elites. The regime, therefore, places a high premium on complementing its coercive power with its ability to co-opt, divide, reward, and punish these elites through the mechanisms of the patronage system. The informal, though implicitly understood extraction and delivery mechanisms of the patronage system constitute the 'rules of the game' for Yemen's elites. These principles have evolved (and been renegotiated) during the tenure of President Saleh, but they are underwritten by the fact that his close family members control the state's most important military posts and control the state's ability to employ devastating physical force, particularly from the air.⁵³ These principles have also metastasised into a more predatory and collusive form since oil revenues began to dominate the country's GDP and the regime's incentives to bargain with society were reduced.

Who is Included?

The most salient feature of Yemen's elite patronage system is its inclusiveness. Because patronage politics are so much more relevant in determining political influence and resource allocation than are the country's formal institutions, patronage must be accessible to all politically, economically, and socially relevant elites. To be included, an elite must be able to demonstrate their relevance to the maintenance of the political status quo. This is an ongoing negotiation, and those who fail to establish their relevance

⁵² For more on the possibilities of development under a patrimonial political order; see Kelsall and Booth, 2010; Lindemann, 2008.

⁵³ While not maintaining a monopoly on legitimate force, the state does maintain a monopoly on air power and so is able, if it wishes, to deal a decisive blow to political opponents from the air, although as the Sa'da conflict and the air strikes against al-Qa'ida have demonstrated there are serious political costs to this tactic.

lose their positions within the system. Not all elites are included equally and neither are they necessarily included permanently. Access to the system is not open to those whom the regime does not consider influential within a given constituency. With some important exceptions, most of those included in the system are not individually influential in key political decisions, but are included as a means of maintaining stability, regional diversity, and to prevent elites from challenging the regime's inner circle.⁵⁴

Tribal and military elites are systematically favoured within the patronage system over the business, technocratic and political party elite (Robinson, Wilcox, Carpenter, and al-Iryani, 2006: 3). The tribal and military elite have benefited from the state's opaque processes of awarding contracts and procurement opportunities to such a degree that they have edged out many of the traditional merchants, and now dominate the business and investment sectors. The traditional merchants, most of whom come from the settled agricultural areas of Ta'izz, Ibb, and Hadhramaut, and from the city of Aden, lost the political influence that they once enjoyed in the aftermath of the 1994 civil war, when the northern regime elites consolidated their power. However, the economic influence of the traditional merchants ensures that they are not excluded from the patronage system (Robinson, et al 2006, 5). Finally, the political party elite is also included as a group in the patronage system, albeit to a lesser degree than the other elite groups. Technocrats are included as individuals but their interests are not considered critical to the regime's decision-making processes. Individual technocrats can, therefore, be excluded from state patronage but as a group their interests are still considered by the regime, and most can expect a level of benefits as long as they do not step over certain red lines in their work (Robinson, Wilcox, Carpenter, and al-Iryani, 2006: 5).

The Yemeni system can be described as a "limited access order," because access to organisations is heavily restricted for non-elites, which allows the elite to capture wealth, generate further rents, and distribute benefits on a discretionary basis (North, Wallis, and Weingast, 2009: 38). The provision of patronage to elites – the norms of which are discussed below – is critical to the regime's ability to contain violence and maintain its centralised rule but it also limits competition, economic growth, and the regime's incentives to enforce the rule of law. Yemeni power relations are fluid, and while the president must take the interests of domestic elites into consideration when making decisions, these elites do not constitute a static group and an individual can be included or excluded on what may seem a fairly arbitrary basis.

One of the participants in the survey articulated the closed nature of the system clearly, though apparently unintentionally; when asked what the most effective way of getting things done in Yemen was, he replied:

A: "Bribes, money, and influence"

Q: Is this way open to anyone?

A: "Yes"

Q: Who can get things done this way?

A: "Anyone with money, power, and influence."

Q: Can/how can an outsider get things done?

A: "Yes, using all of these things."⁵⁵

By this account, the ability to "get things done" requires that an actor has "money, power, and influence" and is, therefore, not really an outsider to the game of elite politics.

April Alley also points out that the inclusiveness of Yemen's elite settlement carries the proviso that inclusion is not optional. Elites must accept a level of inclusion when it is offered or risk serious sanctions

⁵⁴ See Parks and Cole (2010: 29) for further discussion of the various political settlements that often apply to different elite groups.

⁵⁵ Participant's response to survey questionnaire: YSP leader and former senior civil servant.

(Alley, 2010: 394). More than just the threat of punishment, however, is the understanding that refusing inclusion also means the likelihood of political isolation. Even among genuinely committed reformers, the preference has largely been for maintaining access to the regime, and the possibility for political action that this brings, rather than for taking a moral stance by defecting, although this is not unheard of. One leader in a minor political party commented that “people are clever enough to realise” that rejecting the offer to cooperate with the regime usually means being entirely marginalised and thus losing the possibility of having even a very limited impact.⁵⁶

The Yemeni case suggests that the higher the level of inclusiveness in a political settlement, the lower the common denominator between its constituents can be, which can make it more difficult to negotiate changes to the status quo. Instead, the political settlement becomes principally geared towards the distribution of rents and favours, and dissent is focused on the weighting of that distribution rather than on development issues.

Where are the Red Lines?

“[A person] who can't be rich under President Ali Abdullah Saleh's regime can never be rich.”
Former Yemeni Prime Minister Abdul-Qadr Ba Jammal (cited in al-Dhahab, 2010).⁵⁷

The only strict red line within Yemeni patronage politics is that those whom it includes must not overtly challenge the system of elite corruption that underwrites the regime, and to which they have at least partially acquiesced by accepting inclusion (Alley, 2010: 399). It is widely believed within Yemen that the president actually keeps relatively reliable records of the corrupt activities of influential elites through the Central Organisation for Control and Auditing (COCA), a supposedly independent organisation that, in reality, reports directly to President Saleh.⁵⁸ In the words of one source close to the president, Saleh is explicit in his distrust of people who “do not steal,” and uses COCA to monitor government corruption as a way of “putting a knee into the backs” of those who are disloyal to him through the threat of prosecution.⁵⁹

One former head of COCA reportedly commented, as he looked over the vast body of evidence against government officials that his organisation had amassed over the years, that the COCA archives contained “Yemen's secret history.”⁶⁰ Evidence of the intended use of COCA's audits is further indicated by the calibre of some of its top appointees, particularly that of the prominent Political Security Organisation (PSO) officer, Dr. Abdullah Farawan. As Farawan awaited trial for transgressions that he allegedly committed while serving in the Public Prosecutions Office, the charges against him disappeared and he was appointed as the head of COCA. Again committing major fraud during his time in this position, he was fired and indicted. As he awaited trial for the second time, the charges against him were once again dropped and, to the disbelief of most observers, he was appointed to head the Judicial Inspection Board to assist them in the struggle against judicial corruption and ensure the integrity of judges.⁶¹ Like its counterpart organisations elsewhere in the region, COCA is used to record the corruption of elites lest they overstep on the real red line issue of challenging the political-economy that supports the regime, and require legitimate grounds for punishment. It is not a body that is charged, in practice, with curbing official corruption; rather it channels that corruption into avenues that are acceptable to the Saleh regime.

56 Interview with an official in a minor opposition party, Sana'a, September 2004.

57 Ba Jammal is himself notoriously corrupt and wealthy.

58 This has been publicly alluded to by the Organisation's management. According to Brian Katulis, (then) “chairman Abdullah Abdullah Al-Sanafani acknowledged... that [COCA] conducts special audits requested by 'higher authorities' the catch phrase often used to describe the office of President Saleh.” (Katulis, 2004: 9).

59 Interview with a tribal ally of President Saleh, Sana'a, December 2004.

60 Interview with local analyst (who toured the COCA vaults with a former director), Sana'a: 23 March 2005.

61 Unpublished paper by Abdul-Ghani al-Iryani, 2005, received from the author.

A similar practice is employed with investors in Yemen, upon whom a corporate tax rate of 35 percent is levied. By way of regional comparison, the corporate tax rate is 12 percent in Oman, 10 percent in Qatar, 20 percent in Saudi Arabia, and 15 percent in Kuwait (PricewaterhouseCoopers Middle East, 2009: 3). Despite Yemen's relatively high rate, only 7.3 of the country's GDP came from taxes in 2010 (Heritage Foundation, 2011). The reason for this variation is that the big companies keep two sets of accounts, one of which is accurate and another that is given to the tax authorities and shows negligible profits.⁶² A few large companies and individuals are also permitted to negotiate the level of tax that they will pay Yemen's authorities. The impact of this punitive tax base is to deter investment but, more importantly, it makes investors complicit in the criminalisation of the state. They become either guilty of tax evasion (and vulnerable to prosecution or blackmail) or are unable to compete in the market place.

It is acceptable for individuals to complain that corruption is the source of Yemen's economic and political malaise but it is entirely unacceptable for an individual or a coalition to build popular support for an alternative political-economic model. It is, therefore, acceptable to say that the government, or even the regime, is corrupt – which is sometimes a way of manoeuvring for a better position within the patronage system – but to take this accusation to the next level by working to implement genuine solutions means defecting from the system. This is why, in the 2006 local and presidential elections, for example, the opposition coalition did not launch an official challenge to the results of the elections despite its initial (though exaggerated) claim that its candidate Faisal bin Shamlan received two million more votes than he was officially awarded. Instead, the JMP released a statement that it wanted “to avoid a clash or confrontation with the authorities which [might] derail the process of change that has begun” (cited in Phillips, 2007: 12). The JMP therefore clarified that it was prepared to manoeuvre within the parameters of the system for gradual change, and perhaps a stronger hand in future negotiations, but that it was not prepared to risk challenging for the presidency.

Rivalry

Yemen's elites also operate within a highly complex, and intentionally opaque system that further limits the opportunities for collective action. The level and nature of the benefits that an individual receives are discretionary and may change either over time or very rapidly, which makes it difficult for an actor to confidently predict the likely outcomes of a given action. With each actor bargaining for a better position and no formal appeal mechanism, it is widely felt that sharing information can be dangerous. Secrecy is, therefore, an asset in the Yemeni system.

The actors included in the system are also constrained by the president's intentional creation of rivalries between players. If one player gains too much influence or otherwise makes trouble, President Saleh can reinforce the strength of their opponents. President Saleh also has an incredible personal capacity for remembering tribal and familial networks, which is a valuable asset for a patrimonial leader. It is not uncommon for Yemenis who have briefly met the president to report their amazement at his ability to accurately map their relatives once they reveal their full name to him. A common complaint, particularly among the tribes, is that the regime will fund (or arm) both parties to a dispute as a means of playing both sides against the middle and maintaining its own position of dominance. One sheikh from al-Jawf commented to the New York Times, for example: “The government plays divide and rule with us... If one tribe will not do what he wants, he gets the neighbors to pressure it. Sometimes it's money, sometimes it's weapons, sometimes it's employment for the tribesmen” (cited in Worth, 2010). A tribal source close to President Saleh confirmed this, noting that he encourages tribal disputes for his political advantage: “He gives [violent conflict] the green light, he lets them know that he will not stand in the

⁶² This has been raised in many discussions between the Yemeni government and international financial institutions.

way.”⁶³ Part of the president’s resilience derives from his ability to create (or stoke latent) divisions between those who might be capable of effectively opposing him and his inner circle. However, part of his resilience also derives from his role as a mediator in large conflicts, and at times he also works to support ceasefires, as was seen in the support that he offered to the truce between the Bal Harith and ‘Abeeda tribes in Marib in 2010. President Saleh is thus both a player and an adjudicator.

Crisis Management

Finally, the benefits and obligations that inclusion in the patronage system entails can be expected to increase in times of crisis, which puts considerable upward pressure on the resources in the system. Solutions to problems are not created by recourse to an impartial arbiter but through the dispersal of resources, benefits, and status. These goods are attracted by creating a crisis and then negotiating a solution with the leadership. The norms of the system are reasonably effective at containing, or at least channelling, conflicts but it does not enforce incentives to avoid conflict or, at least, the realistic threat of thereof. For a player to maintain their relevance they must maintain their ability to create problems and/or solutions for the president. The focal point of this system is thus short-term: it is built to respond to immediate pressures in the system that can be targeted with money or other benefits, however, longer-term systemic pressures are generally too hazy to meet with a tool as blunt as the co-optation of elites. The implications of this for a rentier economy that is fast running out of oil revenue is both obvious and threatening.

A striking, though by no means unusual, example of how funds are drawn from the state treasury and distributed to elites in an effort to quell unrest occurred in late 2007, when the southern protest movement had gathered unexpected strength and the Sa’da conflict had reignited. In November of that year, the total of the 2008 budget was announced to the media before the details were delivered to the parliament for approval. The stated total was \$US 7.4 billion. However, the total amount that was actually sent to parliament for approval the following day was significantly higher, at \$US 9.15 billion. The overnight increase of \$US 1.75 billion came as a shock to those involved in the process and caused some frantic reorganisation to present the new figures for the final budget. Two ranking officials who were interviewed at the time explained that the sudden increase in the budget was due to the addition of \$US 1.75 billion in discretionary funds for the president to distribute to elites in the south and in Sa’da through direct payments and gifts. This was consistent with the \$US 750 million that the local press widely reported that President Saleh had spent on discouraging dissenters in Aden at the end of 2007. That money was spent on handouts for elites, however, rather than on community development projects.⁶⁴ Shortly after the amended 2008 budget was approved, the Minister of Finance realised the need to cut costs elsewhere and issued a circular to all ministries that their operational budgets would be reduced by 30 percent.

This example illustrates that because the regime’s feedback mechanisms are quite unsubtle quiet resistance is unlikely to be rewarded, whereas those who create crises are eligible for considerable rewards. Manoeuvring for greater rewards by creating crises is not perceived as threat to the system, in fact it legitimises the system by entrenching its structures through repeated behaviour.

⁶³ Interview with a tribal source close to President Saleh, Sana’a, December 2004.

⁶⁴ Interview with two ranking officials whose positions cannot be disclosed for the purposes of anonymity, Sana’a: November 2007. After a thorough review of the revised 2008 budget, it was not possible to pinpoint exactly how this \$US 1.75 billion was distributed because there was a relatively even increase of most line items in the budget. However, crude additions amounting to a total of roughly \$US 1.5 billion can be found on the last page of the “consolidated table of general revenue for the state at the central and local levels.” This money was allegedly to be secured through the sale of state land, liquidation of assets and international loans.

Political Economy

It is widely argued in the 'resource curse' literature that states with an abundance of natural resources are more likely to suffer developmentally, by experiencing poor economic performance, poor governance, and violent conflict (Beblawi and Luciani, 1997; Gause, 1994; Smith, 2004; Collier and Hoeffler, 2005; Karl, 1997; Ross, 2001). On the surface this appears to be the case in Yemen. However, the more important question is what political and social factors have also allowed the regime elite to use the sudden influx of wealth to enrich themselves at the expense of the population? Why have they been either unwilling or unable to use that wealth to promote development in the way that elites in some other developing states, such as Mauritius and Botswana, did? (Sebudubudu, 2009; Brautigam with Diolle, 2009).

The answer lies partly in a coincidence of history that saw economic dominance swapped from society to the state, partly in the lack of perceived incentives for the regime to act otherwise, and partly in the collective action problems that the oil-based patronage system instilled. In the first (post-1973) Middle Eastern oil boom, North Yemen's per capita income increased by roughly four times despite the fact that Yemen was not an oil producing state at that time. Instead, Yemen benefited from its large labour force that was earning money in the Gulf and sending remittances home. In the ongoing second major boom, the situation is very different. Even though Yemen is now an oil producing state, there has been only a marginal increase in the country's per capita income. Not only have the record per barrel oil prices not been trickling down to the population but there has been no similar outpouring of Yemeni workers to the much wealthier countries that surround it.

There are two main reasons for this. First, unskilled labor was in much higher demand in the region in the mid-1970s than it is now, which favoured the mostly unskilled Yemeni labor force. Although Yemen has established a plethora of universities, the skills acquired by the graduates are either insufficient for, or are simply not required by, local or regional markets. The second reason relates to the unenviable position that Yemen was forced into when Iraq invaded Kuwait in August 1990, an invasion which occurred during Yemen's temporary membership in the United Nations Security Council (UNSC). The new Yemeni state could either support military action against Iraq and damage the warm relationship between Saddam Hussein and President Saleh, or it could refrain from supporting military action and damage its relationship with Saudi Arabia and Kuwait. It chose the latter, and called for an "Arab solution" to the conflict, which U.S. Secretary of State James A. Baker III famously referred to as "the most expensive 'no' vote you will ever cast."⁶⁵ Baker's warning was prescient and between 800,000-1,000,000 Yemeni migrant labourers were hastily expelled from Saudi Arabia and Kuwait which, in addition to severing the billion or so dollars that they contributed in remittances annually, caused an extraordinary strain on the new state's already fledgling economy. The impact of the returned unemployed labourers was further exacerbated by Yemen's loss of most of the development aid that it received, the vast majority of which had been provided by the countries now in coalition against Iraq: Saudi Arabia, Kuwait and, to a lesser extent, the United States.

As the amount of remittances entering Yemen plummeted as a result of this expulsion, the country's oil exports also increased dramatically. In a very short time the balance of power switched from a remittance-rich (and therefore relatively autonomous) citizenry and a poor state, to a poor (and relatively economically dependent) citizenry and an oil-rich state (Clark, 2010: 139). In short, it was not just the influx of oil income that centralised Yemen's wealth but the fact that this change occurred almost simultaneously with the restrictions to citizens' ability also to access rentier income from abroad. This two-sided shift on the interests and incentives of the president and his inner circle are reflected in the renegotiation of the political settlement between the regime and Yemeni social forces in favour of

⁶⁵ Vote on UNSCR 678, 29 November 1990.

the former. However, while the state-sponsored patronage system has been built largely on access to oil income since unification, rents are also received in strategic payments from other states, and from the centralised income that *qat* farming brings; the lion share of which is captured by sheikhs in the *qat* producing areas.⁶⁶ The most important outcome of this shift is that scarcity at the lower levels of society does not necessarily mean scarcity at the top and as long as access to rents are maintained. Finally, the regime's ability to access security assistance, training, and high-tech weaponry from external sources also helps to shield it from the costs of repression.⁶⁷ The Yemeni regime, therefore, has several buffers through which it secures its political and economic independence from society.

To transition to a post-oil economy Yemen would need to attract considerable foreign investment, something that the government has acknowledged repeatedly, but has granted very few resources to. The level of political risk attached to investing in Yemen, combined with the high levels of corruption and the weakness of formal state organisations to enforce the law and protect investors make it very costly to do business in Yemen. Contracts are frequently not honoured, or are subject to continued renegotiation, and the lack of formal organisations means that foreign investors are reliant upon the personal contacts of their agents, which is difficult, if impossible, to maintain oversight of. Extortion is widespread and there is little reliable recourse for investors. The amount of foreign investment beyond the oil and gas industries, therefore, remains negligible, and there are few indications that this is likely to increase significantly in the short-term.⁶⁸ As April Longley and Abdul-Ghani al-Iryani note: "Since the April 2007 Yemeni Investment Conference in Sana'a, the government has announced investment promises of over \$260 billion [nearly thirty times the then national budget]. The absurdity of this figure is matched only by the almost complete absence of credible investment" (Longley and al-Iryani, 2008: 3). By the end of 2009, the announcements had reached a total of around \$US310 billion despite the fact that there was no significant new interest in the most recent bidding rounds for oil and gas acreage.

One incident illustrates the obstacles to attracting foreign investment vividly: just one day before the "Investment Opportunities Conference" in Sana'a in April 2007, that is, when most of the delegates had arrived, there was a big shootout just 100 metres south of the presidential palace between Yasser al-Awadhi (a Member of Parliament from al-Baydha), and his tribal entourage, and one of the top sheikhs from Sanhan. At that time al-Awadhi was deeply embedded in the president's network.⁶⁹ Nobody was injured, despite the fact that the shooting continued for many hours and created a public spectacle in which the roads around the palace had to be closed to traffic, all of which suggested that the incident was largely posturing.⁷⁰ Two days after the conference there was a similar, though more violent incident, in which shooting erupted between two parties that were also embedded in the regime's inner circle: the Commander of the Republican Guard in Ta'izz (Abdul-Lateef al-Dhaneen – the son of the Sanhan sheikh, Saleh al-Dhaneen), and the Republican Guard in Sana'a (commanded by the president's son). The fighting was over al-Dhaneen's attempt to seize property in Sana'a that was owned by the President of the United Arab Emirates. Several soldiers were killed and the incident created another very public spectacle. Firefighting from this second conflict continued intermittently for two days despite the fact

66 *Qat* is Yemen's primary cash crop and while the industry is not heavily regulated, it is widely accepted within Yemen (again, accurate official statistics do not exist) that its production and sale accounts for between 20-25 percent of the Yemeni economy. This figure was often given during fieldwork in Yemen between 2004-2008, and is corroborated by Horton, 2010. Furthermore, around 70 percent of *qat* is grown in three provinces: Ibb, Sana'a and Hajjah. Its distribution is tightly controlled in those governorates, which means that the taxation of *qat* producers is also concentrated in specific tribal areas, and under specific sheikhs.

67 Diplomatic cables released through Wikileaks confirm that American and British money and training that was intended for counter-terrorism have been used instead by the Yemeni regime to fight the (non-terrorism related) al-Houthi insurgency in Sa'da. (United States Embassy, Sana'a: 2009a).

68 Many of the investment projects suggested by the Yemeni government are unrealistic. One of the more notable examples of this was when it triumphantly (albeit incorrectly) reported that the Bin Laden Company had commenced construction of a bridge that would link Yemen to Djibouti. The Yemeni president's assistant press secretary was particularly optimistic about the economic prospects that such a project might create for Yemen, repeatedly emphasising the many billions of dollars in revenue that he believed it would bring to the Yemeni economy (al-Hilali, 2009).

69 Several months later al-Awadhi was temporarily excluded when he crossed a red line by publicly criticising the way that President Saleh rules Yemen in a personal and unaccountable manner.

70 The author was present in the area at the time.

that it was actually between two (friendly) factions of the Republican Guard. Speculation was strong within business circles that the violence was orchestrated to illustrate to investors the need for local protection against such threats. This incident suggests that the agential constraints to a productive economy are at least as robust as the structural constraints.

The climate for foreign investment is further undermined by President Saleh's insistence that the shadowy and unaudited Yemen Economic Corporation (YECO, formerly the Military Economic Corporation - MECO), be the local partner for prospective investors.⁷¹ The corporation is now run by the uncle of one of the president's wives, Ali al-Kohlani,⁷² and was granted vast tracts of public land in Sana'a and Aden, and named the local partner for the Dubai based real estate developer Emaar to develop properties on that land. Just before the 2007 investment conference, Emaar publicly stated its intention to invest a minimum of \$US 1 billion in Yemen. However, the president's insistence that Emaar partner with YECO caused the company to withdraw its plans.⁷³ At the time of writing Emaar has not returned to invest in Yemen.

If we assume that the president and his inner circle are rational actors, then these examples of apparently intentional sabotage highlight the importance of agency in Yemen's failure to diversify its economy beyond rentier income. This suggests that there is a collective perception within this group that their interests are better served by maintaining the economic status quo, which is essentially the point that Robert Bates makes regarding the lack of necessity for political elites to nurture their domestic economies if rents remain available (Bates, 2001: 66). This paper will shortly examine the role of foreign actors in reinforcing the perception that bargaining with the international community is more lucrative than bargaining with Yemeni society.

Collective Action Problems in the Patronage System

Yemen's patronage system is fuelled by elite graft which, while useful for maintaining political stability and limiting violence in the short-term, becomes unsustainable if the common resources are overexploited. As Yemen's oil reserves are depleted, and the amount of money flowing through the system drops, why is collective restraint not being exercised in the enlightened self interest of those who benefit from the goods that the patronage system delivers?

The parable of the "tragedy of the commons" helps to explain the collective action problem that the patronage system entrenches. In the social dilemma of the tragic commons, popularised by Garrett Hardin (1968), a group of farmers has access to a common grassed area upon which to sustain their individually owned herds of sheep. Each farmer, being rational, wishes to keep as many sheep as possible on the commons in order to make more money – the sheep being a mechanism for converting common property (grass) into individual wealth. However, if the grass is consumed faster than the rate at which it grows (because the number of sheep is unsustainable) the farmers are collectively disadvantaged. The dilemma is that if a farmer adds extra sheep to the commons s/he receives all of the profit while the cost of doing so is distributed to the group. Each farmer, therefore, has an individual incentive to increase their use of the land even though doing so reduces the productivity of the land, and affects them all adversely. The selfish, though rational, short-term individual preferences of the farmers undermine their longer-term individual interests. Furthermore, the agential behaviour of the farmers creates structural barriers to collective reform because once one farmer overuses the common resource without being

71 YECO was established in the early 1970s and was initially owned by all military servicemen who contributed to its start-up capital, but was usurped and used as a commercial arm of the regime in the mid-1980s. It has business operations in a wide array of industries including basic commodities and foodstuffs, non-lethal military supplies, furniture, textiles, pharmaceuticals, agribusiness, (unlicensed) commercial fishing, and real estate. Many Yemeni observers view the corporation as a vast criminal enterprise.

72 President Saleh used to be the head of YECO. Ali al-Kohlani is the brother of Ahmed al-Kohlani (former governor of Aden and now the Minister of Parliamentary Affairs), who is President Saleh's father-in-law.

73 Interview with senior government official who requested anonymity, Sana'a: March 2008.

punished the action becomes legitimised. The rational behaviour of individuals can thus create collective irrationality.

Solving this collective action problem is typically understood to require either the conversion of the common resource into privately owned property (the exploitation of which is, therefore, regulated by the private owners because they have incentives to maintain its productivity), or through the creation of a public authority that is capable of regulating the amount of the common resource available to an individual.⁷⁴ But there is also another option: that the farmers lobby wealthy landowners from the neighbouring village to give them more land and more grass and thus prevent an outbreak of violence between the farmers that may affect those beyond the borders of the commons. However, this does not solve the collective action problem because each farmer is still rationally inclined to continue to overstep his/her quota, but the farmers and the neighbouring landowners may both perceive that granting the land is a short-term circuit breaker for impending violence. If the farmers are confident that the threat of a conflict spill over is sufficiently threatening to their neighbours, there is a disincentive for them to pursue the two longer-term solutions to their collective resource problem, even though it is more likely to create longer-term security for all players.

⁷⁴ For a discussion of the solutions to collective action problems see Laver 1997, 38-67.

External Geopolitical Actors

The most common response of Yemeni citizens in the informal setting of Qat chews to the question 'how is Yemen going to get out of these problems' was 'we'll blackmail our neighbours.' (MacDonald and Khalil, 2009: 35).

Saudi Arabia. The Kingdom of Saudi Arabia exercises more influence in Yemen than any other external actor. The two countries share a long and porous border, which is a frequent source of anxiety for the Saudi government, which fears an influx of militants, contraband or refugees from its impoverished southern neighbour. The relationship between the two states is fraught, and ordinary Yemenis often hold Saudi Arabia responsible for many of Yemen's domestic problems.⁷⁵ While a tendency towards conspiracy theories is a common feature of polities where access to reliable information is restricted, there is a strong basis to popular suspicions over the role of Saudi Arabia in Yemen.

It is widely held that factions within the Saudi regime had sought not only the independence of the south but also the establishment of a state in Hadhramaut. Two justifications for this are often cited in Yemeni political circles, the first being KSA's strategic interest in gaining free access to the open sea to ease the passage of its oil exports. After signing the border treaty with Yemen in 2000, Saudi Arabia proposed a plan to build a pipeline through Yemen's large eastern governorate of Hadhramaut to the port of Mukalla, and insisted on having sovereignty over a twenty-kilometre wide corridor of Hadhramaut – a request that was refused by the Yemeni government.⁷⁶ A report by the Gulf Research Center (a Saudi-funded research institute based in the U.A.E.) in August 2007 suggested that this interest has been revived, due partly to the strategic threat posed by Iran in the Gulf (Gulf Research Center, 2007: 4-6). The second justification is that the Kingdom is home to a small but highly influential minority of Saudis of Hadhrami origin, and is concerned with the long-term security implications of this group maintaining divided loyalties. Families such as the al-Amoudi, Buqshan, Ba Hamdan, Bin Mafouz, and Bin Laden, constitute massive mainstream economic powerhouses in Saudi Arabia. Sharing that divided loyalty with a satellite state of Hadhramaut, rather than with a large and potentially hostile state of Yemen, would be a less threatening option for the Kingdom.

Prior to 2000, the annual discretionary budget that was granted to the body that administers Saudi-Yemeni relations, the Special Committee for Yemeni Affairs (SCYA) was extremely high: approximately \$US3.5 billion (SR13 billion). It has since been reduced and accurate figures were not available at the time of writing. To give some indication, however, the Saudi Government confirmed in 2008 that the monthly stipend of \$US800,000 that it had been paying to Yemen's paramount sheikh, Sheikh Abdullah bin Hussein al-Ahmar, would be paid instead to his sons following Sheikh Abdullah's death. Under the border agreement between the two states that was finalised in 2000, Saudi funding was supposed to be channelled through the Yemeni government instead of being paid directly to the tribes. Independent payments continued, however. Unofficial estimates the number of people in Yemen currently receiving subsidies from Saudi Arabia still place this number in the thousands. While notional, this figure highlights the importance that Yemen's largest neighbour places on maintaining leverage across the border. While Saudi Arabia funds tribes in other neighbouring states as well, including in Iraq and Jordan, the amount of money that it pays to Yemeni tribes is far greater than what the Yemeni regime publicly admits to spending on the tribes.

Many within Yemen believe that the money being channelled by Saudi Arabia into Yemen is increasing,

⁷⁵ For example it was widely argued that Saudi Arabia had in fact planted the parcel bombs that were intercepted on the two planes after a Saudi tip in October 2010. Author's conversations with ordinary Yemenis following the incident; the other common variant was that the plot was an American conspiracy. While there was little of substance to support either claim, it is indicative of the deep reservations that Yemenis hold about both Saudi Arabia and the United States.

⁷⁶ Interview with senior Yemeni official, Sana'a: March 2008.

but it has not been possible to obtain a clear macro-level picture of how much is being distributed or who the individual recipients are, other than the obvious figures within the regime. In the words of one source who receives regular payments from Saudi Arabia: "everybody can get money from Saudi Arabia if he knows someone there, or if he is a sheikh, or even just a tribesman... they give money to Hashid, Bakil, Madhaj, everybody, all tribes of Yemen receive money from Saudi Arabia."⁷⁷ Another significant indicator of the level of money the Kingdom is pouring in to the grassroots of Yemeni society was the lavish display that Saudi Arabia made to mark the anniversary of the north Yemeni revolution on 26 September 2010. The streets around the Saudi embassy were closed for several hours as Yemenis waited to collect money directly from the embassy.

Since the southern movement began to gain attention in mid-2007, a lot of people in the south have reportedly been added to the Saudi pay roll. After the end of the "sixth war"⁷⁸ in Sa'da in February 2010 (which directly involved the Saudi military), more than 50 Bakil sheikhs were invited to meet Crown Prince Sultan bin Abdul-Aziz in Saudi Arabia, and again more names were added to the list. One day after this meeting, President Saleh travelled to Saudi Arabia unexpectedly to meet with King Abdullah. Saleh was accompanied by Ali Muhsin, the Minister of Defence, and the Head of National Security, and observers within Yemen noted that the haste with which this trip occurred pointed to the Yemeni regime's concerns that Saudi Arabia could have been mobilising tribal leaders against it. It appears that this was not, at least immediately, the case but it indicates the level of potential threat that the Yemeni regime perceives to emanate from Prince Sultan's faction in Saudi Arabia.⁷⁹

While it is beyond the scope of this paper to discuss the nature of the Saudi regime in any detail, it is important to mention that its factional rivalries are at least partly being played out in Yemen, and there are two very different views within the Saudi regime about how Yemen should be dealt with. King Abdullah's faction favours stability within Yemen and has been willing to channel huge amounts of money directly to the president in the apparent hope that helping to bankroll his survival will help to maintain stability. These divisions in the House of Saud over Yemen policy was described in a US diplomatic cable leaked through Wikileaks, which states:

The prolonged absence from Saudi Arabia of Special Office chairman Crown Prince Sultan..., who xxxxx claims is also highly skeptical of Saleh, left the Yemen file in the hands of King Abdullah, who has greater confidence in Saleh's motives and leadership abilities. Committee members have kept their doubts about Saleh's leadership abilities private since the departure of Crown Prince Sultan, creating a vacuum of Yemen policy advice in the Saudi Government that resulted in the decision to intervene directly in the Houthi conflict, xxxxx. King Abdullah was much more receptive to Saleh's entreaties for direct Saudi involvement than Crown Prince Sultan ever would have been... (United States Embassy, Sana'a: 2009b).

Prince Sultan and Prince Naif (and their sons, Khalid bin Sultan and Mohammed bin Naif respectively) are believed by many to entertain ideas of securing access to the Arabian Sea through the western part of Hadhramaut, as discussed above. Prince Sultan controls the Special Committee for Yemeni Affairs, the body that administers funds to Yemeni tribes and other Yemeni citizens.

President Saleh has long operated under the conviction that the possibility of state failure in Yemen poses too big a threat to international security for the West to allow it to occur. However, Saudi Arabia has thus far proven the most receptive to this tactic. In 2009, the Kingdom made a direct payment of \$USUS2.2 billion to President Saleh and the United Arab Emirates followed suit with \$US700 million,

⁷⁷ Interview with a source who receives regular payments from Saudi Arabia, Sana'a: November 2008.

⁷⁸ At the time of writing there have been six relatively discrete bouts of conflict in Sa'da, which are referred to numerically: 'the first Sa'da war;' etc.

⁷⁹ Interview with Yemeni security service source, February 2010.

making the total (known) amount around 70 percent of what Yemen earned from oil exports when revenues peaked in 2008. This is largely what allowed the government to pay the civil service and military wage bill and prevented a major economic crisis in 2009.⁸⁰ This view was corroborated in a cable released through Wikileaks, which notes that the American Embassy in Riyadh says: "We agree... that Saudi support is enabling Saleh to weather increased domestic political pressure." (United States Embassy, Sana'a: 2009b).

In August 2010, Saudi Arabia again contributed funds directly to the Yemeni Central Bank, just one month before the "Friends of Yemen" group of international donors met in New York. The influx of foreign currency was apparent when the value of the Yemeni Riyal reached its lowest point ever (YR 257 to the US dollar) at the beginning of August but by the end of the month had recovered to YR 231. A local economist estimated that a change in the exchange rate required an intervention of at least \$US 1 billion.⁸¹ Estimates by donors and diplomats of the amount that was donated by Saudi Arabia varied between \$1-2 billion.⁸²

In addition to the money the Yemeni regime has received from Saudi Arabia, Yemen's Minister of Finance spent about a week in Libya in October 2010, negotiating a fixed deposit of \$US 500 million in the Central Bank to redress the balance of payments. It is widely believed that while this money can be withdrawn, it is most likely to remain a grant if the relationship between Yemen and Libya remains amicable.⁸³

It appears that President Saleh believes that these closed-door payments will continue as long as his neighbours deem the threat of Yemen's collapse sufficiently dangerous, and there are strong historical reasons for President Saleh to expect that Saudi Arabia will continue to pay. Saudi financial involvement has always been high and until the late 1980s paid \$US500,000 per year in direct budget support to the North Yemeni government.

The West

As the quote at the beginning of this section suggests, President Saleh (like many Yemenis) appears to believe that Yemen is simply too important for the West or its neighbours to allow to fail. Since the attempted bombing of an American passenger jet on Christmas Day 2009 was traced to *al-Qa'ida in the Arabian Peninsula* (AQAP) in Yemen, the Yemeni government has been trying to convince foreign donors that it requires extraordinary financial assistance to stay afloat in the face of the al-Qa'ida threat. In 2010, for example, requests for aid by the Yemeni government ranged from \$US 1.2 billion to a staggering \$US44.5 billion over five years, or over half of the country's current annual national budget every year for the next five years (al-Motamar, 2010). Similarly, the Foreign Minister Abu-Bakr al-Qirbi called for a "Marshall Plan" of some \$40 billion dollars to assist Yemen. While these requests dramatically overstate what the Yemeni government could actually be hoping to receive, the logic employed is quite indicative of the regime's incentives to act.

These incentives are further indicated by the fact that by January 2010, only 7 percent of the \$US4.7 billion that was pledged by donors at the 2006 conference in London had been spent (Black, 2010).

80 Interviews with three senior Western diplomats in March 2010, subsequently confirmed by a senior World Bank official. See also Boucek (2010b), an expert on Saudi Arabian politics, who notes that Saudi Arabia "already gives Yemen \$2bn a year." This money greatly exceeds what Saudi Arabia pledged to contribute in formal assistance in the donor conference in London in 2006, only a small fraction of which has been paid.

81 Interview with a senior Yemeni economist, August 2010. This figure is in line with previous interventions by Yemen's Central Bank: in May 2010 the Governor of the Central Bank stated that the bank had injected \$US850 from the national reserve since January 2010 to prevent the riyal from falling more than 8 percent against the dollar (Mareb Press, 2010a).

82 Phone interviews with one Western diplomat, one Western donor, and one Yemeni diplomat.

83 Interviews with members of the Yemeni cabinet and a Yemeni diplomat.

The Yemeni government argues that this is because it lacks the technical capacity to absorb the funds, and this point was highlighted in the leaked McKinsey report that develops the Ten Point Plan discussed above. However, field research indicates that the obstacles are again not only related to structural capacity, but are also strongly related to the president's preferences. A member of the cabinet revealed in an interview that neither he nor any of his counterparts in other line ministries ever received the letter from the Ministry of Finance to advise them of what their ministry's allocation of the funding would be, which meant that no action could be taken. If the ministries were never instructed that they would receive the money, it is not simply a matter of their incapacity that prevented it from being spent; it is a matter of will. This, combined with President Saleh's attempts to convince the IMF to give direct budget support instead of balance of payments support, strongly suggests that government capacity is not the only limiting factor in its ability to absorb development money. The president's ability to choose not to accept the conditions attached to that money is also a significant factor.

The United States is the most influential Western donor in Yemen and the financial assistance it has offered has increased significantly – though far less dramatically than requested – since the events of Christmas 2009, to approximately \$US130 million per year in non-security assistance (up from approximately \$22 million in 2008).⁸⁴ Similarly, the British budget for development aid in Yemen 2010/2011 increased by 43 percent to £GBP50 million (Bennett, Duncan, Rothmann, Zeitlyn and Hill, 2010: 10). These figures show that the amount of financial support available from the West pales in comparison to what is available more locally, particularly when the conditionality of that assistance is also taken into account.

While the Yemeni regime usually states that what it needs from the West is financial and developmental support, the imbalance in what it actually receives from the West and what it receives from its neighbours suggests that what it really wants from the West is legitimacy. International (and constitutional) legitimacy is one of the few things that decisively separates President Saleh from his inner circle. Without this legitimacy, President Saleh is not a republican leader but a king – a title that he does not wish to be associated with because of his accusation that the al-Houthis intend to re-establish royal dynasty.⁸⁵ Without international legitimacy, President Saleh is also more vulnerable to international criminal charges, or the possibility that the West (though particularly the United States) could choose to deal with Yemen's al-Qa'ida problem unilaterally or through a military invasion. Without international legitimacy, President Saleh does not add as much value to the inner circle: they need him to provide this and if he cannot, he is likely to become more vulnerable to a coup. International legitimacy is thus an Achilles heel for President Saleh, which makes the West's policy options look quite different to the ones currently being pursued, in which the Yemeni regime is to be 'stabilised'.

84 These figures are according to Assistant to the President for Homeland Security and Counterterrorism, John Brennan, speaking on 17 December 2010.

85 In fact, prior to the outbreak of the al-Houthi rebellion in 2004, President Saleh commonly referred to himself as *amir* (prince).

A Profile of the Key Players

The Inner Circle

The informal and fluid web of power surrounding President Saleh is best described as a series of concentric circles in the middle of which is the president. Tightly wrapped around the president in the next concentric circle are his close relatives (sons, nephews, half-brothers, cousins, and in-laws), and slightly further away is the elite of the Sanhan tribe. These three circles, consisting of perhaps 50 or so actors constitute the regime's inner circle and members of this group control the country's most sensitive military positions. The family background of these group members are rural, and those in the public eye have had limited formal education other than what they gained in the military. The inner circle is an extremely shadowy group, and there are conflicting reports about the precise identity, familial relations, and number of members of this inner circle, other than those who occupy ranking positions within the military, or are close relatives of President Saleh. Even within the regime's inner circle there are different – and fluid – levels of inclusion afforded to different actors, ranging from those whom the president cannot easily exclude from important decisions against their will, to those whom he can exclude from some important decisions against their will.

The president is from the village of Bayt al-Ahmar, which in a poor rural area approximately 40 kilometres outside of Sana'a, and which consists of about 15 households. There is a common Yemeni pun surrounding this location, which notes that country's next leader will be from one from two places: Bayt al-Ahmar (the president's home village) or Bayt al-Ahmar ("the household" of the dominant Hashid family of sheikhs – the al-Ahmars).

President Saleh's eldest son, Ahmed Ali Abdullah Saleh, controls the Republican Guard. The force consists of some 30,000 men⁸⁶ and a vitally important post that was consciously modelled on its Iraqi counterpart. It is widely accepted that the president was trying to groom Ahmed to succeed him, however, Ahmed remains unpopular among ordinary Yemenis. The local press is currently full of speculation that the president's ambitions have largely shifted to his much younger son Khaled, who graduated from Sandhurst Military Academy in the UK in 2010.

The president's daughter Bilquis, once married to his nephew Yahya, wields considerable influence within the palace and is believed to have an impressive economic portfolio. President Saleh's half-brothers, nephews, cousins, and in-laws also form the core of the inner circle's public face, and include Air Force Commander Mohammed Saleh al-Ahmar (half-brother), Director of the Office of the Commander and Chief Ali Saleh al-Ahmar (half-brother), Deputy Commander ("Staff Officer") of the Central Security Forces Yahya Mohammed Abdullah Saleh (nephew), Deputy Commander of the National Security Bureau 'Ammar Mohammed Saleh (nephew),⁸⁷ Head of the Presidential Guard, Tariq Mohammed Abdullah Saleh (nephew). These positions, though particularly those commanded by his son Ahmed, and his nephew Tariq, are essentially tasked with the protection of President Saleh's personal leadership. A younger generation is now also emerging and includes the Commander of the Missile Forces, Khaled Ali Abdullah Saleh (son), and Tayseer Saleh Abdullah Saleh, Military Attaché in Washington D.C. (nephew).

The country is divided into five military zones all of which are controlled by either relatives of the president or members of the Sanhan elite. The only exception is the Central Military District, which

⁸⁶ Figures vary somewhat due to the presence of "ghost soldiers," that is, names that collect a salary but do not really exist.

⁸⁷ The fact that both Yahya and 'Ammar are "Deputy Commanders" does not mean that their positions are subservient to anyone else in their organisation. The official Commander of the National Security Bureau, for example, is Ali al-Ansi, but the power is with 'Ammar. It is very often the case that ministers are less powerful than their deputy ministers, because the deputies have been appointed on the basis of the ties to President Saleh.

is officially under the command of a southerner, Saif Saleh al-Boqari, but in reality al-Boqari is only a figurehead and the district (which includes the capital of Sana'a) is controlled by President Saleh. The other district commanders are: Ali Muhsin, who is the most politically significant of the commanders and is discussed in detail below; Mahdi Maqwallah (Sanhan elite), who derives his power from his close association with President Saleh;⁸⁸ and serves as Commander of the Southern Military District (which includes Aden); Mohammed Ali Muhsin (Sanhan elite);⁸⁹ is the South-Eastern Military District (which includes Hadhramaut); and Abdullah al-Qadhi (Sanhan elite – head of the powerful al-Qadhi clan) is the Commander of the Ta'izz Military District.

Ali Muhsin al-Ahmar is the commander of the First Armoured Division, and the North Western Military District (one of Yemen's five military zones) but he has a level of support within the military that ensures his leverage with the President, and that his economic interests are taken seriously. His economic holdings are impressive, if difficult to pinpoint exactly. He holds a majority share in at least two of the country's nine national banks, owns a number of companies that provide local representation for foreign oil companies (in exchange for a percentage of their profits), and a number (estimates vary as to exactly how many) of tanker ships upon which subsidised diesel is smuggled from Yemen to neighbouring countries.⁹⁰

Muhsin is not a close relative of the president but is generally considered the second most powerful figure in the country; his military power has been reduced during the Sa'da wars but his political influence is still formidable and it is possible that he will regain his military strength.⁹¹ He goes by the last name al-Ahmar (a reference to the village that he is from) but he is generally believed to be from the al-Qadhi clan. A source close with members of Ali Muhsin's family claims, however, that Ali Muhsin's real last name is Jaabr, although this could not be confirmed by others with close access to the family. Like most of the inner circle, Muhsin is a shadowy figure relative to the power that he wields, and the fact that even his full name remains unclear underlines the level of opacity that exists within the Sanhan elite.

While most Sana'a residents could easily point out Ali Muhsin's residence on Sixty Metre Road,⁹² until relatively recently most also reported never having seen a photograph of him. As a further example of the level of knowledge that is publicly available about the members of the regime's inner circle, it was also usually reported that Ali Muhsin was President Saleh's half-brother, which is not the case. The two men are, in fact, somewhat distant cousins but are both from the Sanhan tribe, and both are from the village of Bayt al-Ahmar. Ali Muhsin is not a Sanhan sheikh but being from the al-Qadhi clan of the Sanhan tribe puts him higher than President Saleh in the Sanhan tribal hierarchy. As is discussed below, Muhsin's increasing public appearances over the past few years seem to be related to the factional rivalry between himself and the president, which has led to his political influence being reduced in favour of the president's sons and nephews.

Internal palace politics are the source of continual debate and rumour within Yemen's political classes, but these debates tend not to be based on verifiable evidence. President Saleh actively prevents members of the Sanhan elite, other than a selection of his close relatives, from appearing in the media. The author is not aware of any publicly available photographs of his half-brother Ali Saleh ever having been published. His other half brother, Mohammed Saleh, makes only very rare media appearances: even though he is more powerful than the Minister of Defence, it is the minister's picture that is in the public domain. The

88 He was previously the head of the Presidential Guard before the president's nephew Tariq assumed the position.

89 Mohammed Ali Muhsin is a member of the shiekhly Sanhan family that dominates Bayt al-Ahmar (Maqsa'). He is related to President Saleh's family by marriage, and is not related to Ali Muhsin.

90 Confirmed during several interviews with people close to Ali Muhsin.

91 Sources close to Muhsin say that the First Armoured Division, which he commands has been decimated; it was once a force of some 20,000 soldiers and has now been reduced to around 2000.

92 The house stands out and is on the way to the airport; the house is also his military base.

regime also intentionally keeps the names of the inner circle out of the public realm, and until several years ago even President Saleh's last name – 'Afaash – was treated as though it were a state secret.⁹³ For this reason it has not been possible to gather a list of all of the names of the members of this group. There are six families that come from the president's village of Bayt al-Ahmar;⁹⁴ and between these families (probably comprising about a few hundred people), there are two main factions, the 'Afaash clan (those related by blood to President Saleh) and the al-Qadhi clan (those related by blood to Ali Muhsin).

Another small group worthy of mention in the regime's inner circle is three men who have almost unparalleled access to President Saleh but who are not members of the Sanhan and, therefore, could never come into conflict with any other member of the inner circle and retain their positions. These are Ali Shatter (head of the military publishing company *Tawjih al-Ma'anawi*), Abdo Burji (Deputy Director of the Office of the President)⁹⁵, and Abdullah Bashiri (head of the Presidential Secretariat), and their roles are essentially that of a political kitchen cabinet.

Succession and Factional Rivalry

The political struggle over who should succeed President Saleh is not particularly significant in the external view of Yemen but it is of paramount importance domestically. The question of who will lead Yemen after President Saleh and, by extension, what the basis of their political legitimacy will be, colours the background of most high-level domestic politics.

It is widely believed, including by sources close to the president and to Ali Muhsin, that the struggle for political succession constitutes one of the many layers to the conflict in Sa'da between government forces and a group of insurgents that are being led by the al-Houthi family.⁹⁶ The two men were long-time allies and it is clear that the competitiveness between them started over the question of political succession, although it is not clear that Ali Muhsin would actually like to become president himself. Hameed al-Ahmar stated in an interview on al-Jazeera in late 2009, for example, that the Sa'da war was largely a war over political succession: "the Republican Guards headed by the President's son supported the Shiite rebels in north Yemen in order to hit the First Armoured Division led by Brigadier General Ali Mohsen Al-Ahmar and hence get rid of him... a rebel leader is a friend of the President's son, Ahmad Ali Abdullah Saleh."⁹⁷ The governorate of Sa'da is located within Ali Muhsin's area of military command (the north western region), and what began in there in mid-2004 as a fairly local conflict, that was based on largely political grievances, developed into an ongoing series of wars that have since embroiled the regime.⁹⁸ However, the sections of the military commanded by Muhsin have borne the brunt of this.

In April 2007, a source close to the president noted in an interview that President Saleh had informed Ali Muhsin that he would not be given any new military hardware to pursue the war in Sa'da, despite the

93 It is likely that this was because the name revealed that President Saleh is not a sheikh, and does not come from a respected tribal pedigree.

94 Some sources suggested that there were seven families, but the name of the seventh, if it exists, was not possible to verify.

95 Until about 15 years ago, Ali al-Ansi, the Director of the Office of the President was also considered part of this "kitchen cabinet" but no longer enjoys the same level of access as his deputy Abdo Burji. Al-Ansi was trained in the police academy in Egypt and returned to Yemen about one month after President Saleh came to power. A close confidant of President Saleh at the time confirmed in an interview that Saleh was looking for someone with good handwriting, and that al-Ansi got the job on this basis. Sana'a: March 2010.

96 The International Crisis Group also comments on the difficulties of trying to document the widespread views about the elite politics that may be at least partly fuelling the Sa'da wars, and cites a Western diplomat as saying that the Sa'da wars are a "poisoned chalice given to Ali Muhsin" (International Crisis Group, 2009: 15). Within Yemen, this contention is seldom questioned, and was confirmed in private conversations with numerous military and political elites that are connected to Ali Muhsin.

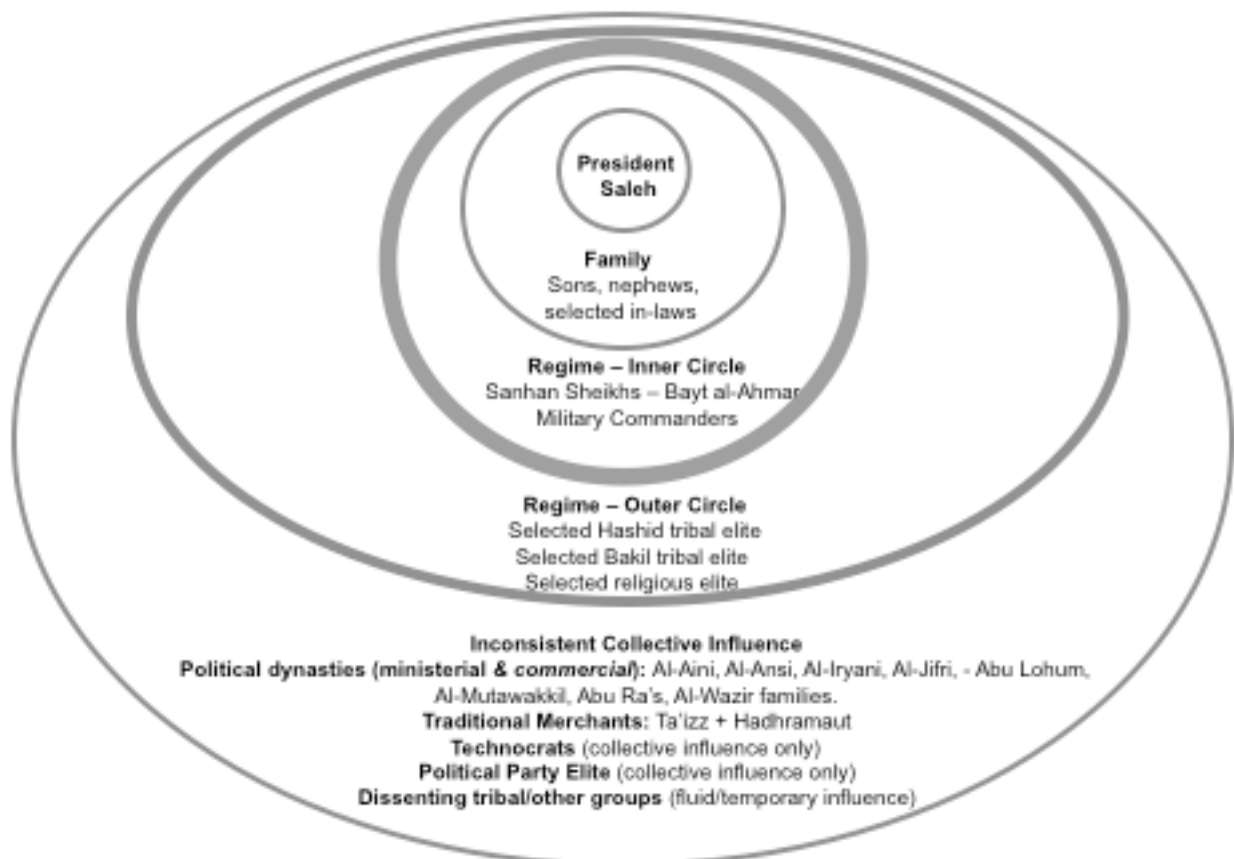
97 Al-Jazeera, 6 November 2009. For English language commentary see: <http://blogs.aljazeera.net/middle-east/2009/11/16/yemens-complex-reality>; <http://yementribune.com/blog/?p=1111>

98 The grievances were also related to the encroachment of government-supported Salafi Islam in the strongly Zaydi area.

fact that the Republican Guard continued to procure weapons from Russia.⁹⁹ The same source said that as the conflict expanded, Muhsin had also requested support from the Republican Guard (controlled by the president's son and desired successor Ahmed Ali) and the Central Security Forces (controlled by another close relative of the president, Yahya Mohammed Abdullah Saleh) but that his requests were refused. Despite the Republican Guard's reputation as the most elite section of the Yemeni military, the president chose instead to mobilise brigades with capacities inferior to the Republican Guard and the Central Security Forces. Many politically aware Yemenis interviewed by the author at the time, portrayed this choice as illustrating the president's desire not to tarnish either Ahmed Ali or Yahya in the Sa'da conflict, and to instead weaken Ali Muhsin in an unwinnable war. Whether or not this was the intention, this has been the outcome and Ali Muhsin has been considerably weakened by his ongoing involvement in Sa'da.

In the "sixth" Sa'da War (August 2009 – February 2010) the roles changed and the Republican Guard fought, while the First Armoured Division stood back and instead surrendered eleven military bases without a major battle and without destroying their arms depots. There was wide speculation this time of collusion between the al-Houthis and the Muhsin's division and that these weapons were actually sold to the al-Houthis to fight the Republican Guard.¹⁰⁰ It is now widely believed by political elites and analysts within Yemen that the competition between President Saleh's Sanhan faction and Ali Muhsin's Sanhan faction has now been largely resolved in favour of the president.

Figure 1



⁹⁹ Interview with a source close to President Saleh, Sana'a: April 2007. This was later corroborated in an interview with a source within the military.

¹⁰⁰ Interview with a source with access to President Saleh, Sana'a: October 2009.

The Inner Circle's Political Settlement

The mechanisms by which a political regime is created often remain deeply embedded in the institutions that it uses to maintain its power (Frantz and Ezrow, 2011). This is true of Yemen, and the organisationally weak, personalistic webs of loyalty that brought President Saleh to power form the basis of the inner circle's political settlement. In 1978, (then) Major Ali Abdullah Saleh was the Commander of the Ta'izz Military District, a position that gave him access to Bab al-Mandab at the mouth of the Red Sea, and which provided him with lucrative international smuggling opportunities. This position meant that he was the second highest-ranking Sanhan military commander, second only to Mohammed Isma'il al-Qadhi, however, al-Qadhi was in the political wilderness due to the fact that he continued to support the royalists even after they had been defeated in the 1962-70 civil war against the republicans. When President Ahmed al-Ghashmi was assassinated in June 1978, Ali Muhsin was in charge of the Central Command Headquarters (which served as a Ministry of Defence). He secured the Central Command Headquarters building and held the Chief of Staff, Abdul-Aziz Barati, in a locked room while he waited for other Sanhan commanders to build enough support within the military for Ali Abdullah Saleh to take physical control of the building, thereby making him supreme commander of the military.¹⁰¹

The standoff continued for 40 days, during which time the Speaker of Parliament, Abdul-Kareem al-'Arashi, served as acting president, as dictated by the constitution. During this time, several non-Sanhan military commanders attempted to seize the headquarters from Ali Muhsin but he managed to maintain control as he waited for the Sanhan commanders to gather the funds necessary to secure the allegiance of other commanders to Major Ali Abdullah Saleh becoming president. The acting president was also entertaining the possibility of remaining as president but he was disabused of this when his house was attacked and sprayed with bullets. During the 40 days of political uncertainty in June-July 1978 that the Sanhan elite were their selling assets and gathering cash in support of Saleh's presidential bid, an agreement was settled between those involved. It was referred to as "the covenant" (*al-'ahd*), and essentially constitutes the inner circle's political settlement, and was an understanding that the Sanhan tribe would stand together under the leadership of Ali Abdullah Saleh and that Ali Muhsin would succeed Saleh.¹⁰² The succession line did not extend beyond Ali Muhsin and it is likely that, knowing the short-life span of other republican president, the adherents to "the covenant" did not expect their leadership to endure very far into the future. "The covenant" was thus concluded in a short period of time – the 40 days between the assassination of al-Ghashmi and the inauguration of President Saleh – but this is not to suggest that it was a one-off event and, as is discussed below, aspects of the Sanhan political settlement have been renegotiated during President Saleh's tenure as the ambitions and strategies of players have changed.

The issue of political succession lay largely dormant until 2001, when President Saleh successfully pushed through a series of politically regressive constitutional amendments. One of the amendments in the package was an extension of the presidential term of office from five to seven years. Even though he had been in office since 1978, President Saleh was only officially elected in 1999, meaning that that under the amended constitution he could now remain in office until 2013, instead of 2009. This prompted intense speculation that this was intended to allow the president's son Ahmed Ali Abdullah Saleh to reach the age of 40 – the constitutional minimum age for a Yemeni president – before President Saleh was compelled to retire.

Some of the elite within the president's tribe, though particularly Ali Muhsin, were reportedly outraged at the president's apparent attempt to position his son Ahmed to succeed him, and this appears to have sparked a major factional dispute within the Sanhan elite – though not necessarily because Muhsin

¹⁰¹ This story was conveyed during an interview with a Sanhan insider; Sana'a: late 2004.

¹⁰² It is unknown whether this was written down.

wanted the top job for himself. One of Muhsin's most powerful supporters (Commander of the Eastern Region, Mohammed Isma'il al-Qadhi) spoke out and, according to a Sanhan insider, explicitly told President Saleh that he was "breaking the covenant." Very shortly after doing so, al-Qadhi was killed in a military helicopter crash.¹⁰³ Although the crash was officially declared an accident it also marked the beginning of other more subtle moves against Muhsin within the military, and other officers and units loyal to Muhsin began to be removed or weakened.¹⁰⁴

Ali Muhsin does not presently pose a serious threat to the president as an individual, although he still commands considerable loyalty within the military and within the Sanhan tribe, and the president cannot afford to completely marginalise him. In the fluid power negotiations of the Yemeni patronage system it is entirely possible that he will regain some of the ground Muhsin has lost over the past decade.

Collective Action Problems within the Inner Circle

The crucial distinction between President Saleh and the rest of the regime's inner circle is that he is the only member of the group that has legitimate constitutional power.¹⁰⁵ He is the lynchpin of the political system and has been the charismatic leader of the Yemeni state for the past two generations of Yemeni citizens.¹⁰⁶ This confers a level of legitimacy upon his leadership that his inner circle cannot access. While many Yemenis do not always approve of the way that he rules, most still accept him as their legitimate president. The same cannot be said for his shadowy inner circle of Sanhan elites, which while providing the coercive muscle for President Saleh, are mostly unknown to the Yemeni public, partly because the president actively prevents them from appearing in the media or in public.

The inner circle realises, therefore, that if President Saleh falls they all fall, and so cohesion is necessary to ensure the survival of the regime as a whole. The power of the inner circle is derived from the president's personal public authority and without him they risk losing everything. This is a common feature of highly personalistic regimes, where institutions to unite and organise the elite against the ruler do not exist. The lack of institutions gives the ruler greater leverage over their potential competitors than they tend to have in military regimes or single party states (Frantz and Ezrow, 2011).

The power of the inner circle derives from their control of the military, from the economic wealth that they have amassed through predatory practices, and from the level of access that their position within the Sanhan tribe grants them to President Saleh. Lacking any constitutional or legitimate power themselves, the biggest threat to those in the president's inner circle is the possibility of changes to the predatory and collusive rules of the game from which they all individually benefit. If the president was to increase his reliance on the rule of law to foster private investment and economic growth, they would not only forgo their short-term financial interests but would also risk becoming less politically relevant to the president in the longer-term. The only way around this is if the inner circle was to collectively buy into an economic model that increased the possibility of growth for themselves *and* the citizens. One indication of the threat that the inner circle perceives is that members of President Saleh's 'Afaash clan have been known to defect to the al-Qadhi clan when President Saleh has leaned on his formal power at the expense of his informal power. However, President Saleh also faces a threat. For example, in mid-2009, President Saleh used his formal power to remove Sanhan heavyweight, Mahdi Muqwallah, from his position as the commander of the Southern Military District. Saleh appointed his nephew Tariq in Muqwallah's stead, but was forced to restore Muqwallah within a month due to concerted pressure

¹⁰³ Deputy Chief of Staff Ahmed Faraj was also killed in the crash; he was a supporter of Ali Muhsin but it is unclear whether he also spoke out against the possibility of Ahmed Ali coming to power.

¹⁰⁴ For example, some units commanded by officers loyal to Ali Muhsin had to surrender their tanks to Republican Guard units.

¹⁰⁵ Political analyst Abdul-Ghani al-Iryani has made this point in a number of conference presentations.

¹⁰⁶ While a generation is usually understood to be 25 years, in the Yemeni context it is significantly less than this – about 17 or 18 years.

from the al-Qadhis.

A further indication of the way that formal power is perceived to be a defection from the informal elite political settlement occurred when Ali Muhsin made his first foray into the media spotlight at a time when he was being squeezed hard by President Saleh over the war in Sa'da. In September 2007, it was announced that Ali Muhsin had established a new research institute, the "Yemeni Centre for Historical Studies and Future Strategies," the main goals of which are to evaluate the problems affecting national stability and unity. The 206 board members included four senior technocratic advisors to President Saleh, 30 members of opposition parliamentarians, five serving ministers, six former ministers, five current governors, and five former governors (Sharabi, 2007). At least two of the four senior advisors were never consulted. In a seemingly symbolic gesture, Ahmed Isma'il al-Qadhi was also appointed to sit on the board of the centre. Ahmed is the brother of Mohammed Isma'il al-Qadhi, who was killed in the helicopter 'accident' discussed above. Ali Muhsin appeared on national television for the first time and wore a suit, the symbolism of which was seized upon by politically aware Yemenis at the time for the obvious break in normal operating procedures – and the symbolic challenge to President Saleh – that this represented.¹⁰⁷

If we assume that the regime's inner circle, as rational actors, do not wish to lose power by succumbing to uncontrollable civil unrest, or by suffering a total economic collapse once oil reserves are depleted, then it is in their interests to take decisive action relatively quickly. It is not in their collective interests to sponsor the erosion of their own longer-term legitimacy by further entrenching the country's problems for short-term rewards. However, the transition to a post-oil economy requires that each member sustains a significant loss to his present levels of power, wealth, and ability to dispense patronage (which keeps each one and the group in power) and so each is individually disinclined to do so. The members of the inner circle are less likely to maintain their exceptionally privileged positions if they pursue reforms that promote greater prosperity among the population, because such reforms would require a reliance on the rule of law, which would limit their access to power and wealth. The benefits of such reforms, if they accrue to the regime at all, would accrue to President Saleh at their expense. It would increase the president's reliance on his rational-legal authority over his reliance on his patrimonial authority. As is seen in some other authoritarian regimes, it is individually rational for the members of the president's inner circle to block the emergence of a political system that is based on the rule of law and that may facilitate the emergence of a post-rentier economy. It is, therefore, individually rational for the members of the inner circle to continue to behave in an economically unsustainable manner. However, this is all based on perception and competition; if perceptions change and a threat to the ability to collectively survive emerges then calculations of individual rationality are also likely to shift.

There is also a powerful check on President Saleh's room to manoeuvre, and in a combustible political environment, his need for a loyal military is paramount. His inner circle has proven capable of providing this over decades. The president and his inner circle are thus mutually reliant and similarly, though not identically, constrained. However, if the Yemeni state becomes unviable, either through economic ruin or unmanageable violence, the collective interests of both the president and his inner circle are highly vulnerable. Reforms are, therefore, collectively rational if the regime perceives that it is facing systemic vulnerability - but perception is the key to this becoming a catalyst for genuine reform.

President Saleh essentially has veto power against any individual within his inner-circle, but if the inner circle is united it can challenge him, and so can be considered to hold collective veto power over the president.¹⁰⁸ However, the inner circle is unlikely to collectively rebel unless its members perceive that

¹⁰⁷ The author was in Yemen conducting fieldwork at the time.

¹⁰⁸ One recent example of this was after the end of the Sixth Sa'da war (February 2010), it was nearly announced that President Saleh's son, Ahmed, would be named the General Commander of the Armed Forces. This would have meant that Ali Muhsin would

President Saleh's actions might mean that they lose everything. Therefore, it is at least conceivable that President Saleh could, if he perceived an incentive to do so, renegotiate the political settlement in such a way that the benefits ceded to his inner circle are scaled back but are not completely removed. However, this relies on the presence of one key condition: that President Saleh perceives that there are sufficient incentives to risk this strategy – something that is made less likely by the behaviour of Yemen's neighbours and Western donors. The structural restrictions within the inner circle's political settlement are tight and so he is unlikely to see this incentive if he sees a path of less resistance, that is through maintaining sufficient funds to keep his inner circle's heads collectively above the water.

The Yemeni Regime

Expanding outwards from the Sanhan elite are the fluid networks that constitute the Yemeni regime. The next circle of elites is incredibly influential and can still be considered part of the regime's core; it contains a network of tribal elites that are critically though not necessarily individually important in the president's decision-making. The Hashid tribal confederation is the smaller but more cohesive and powerful of Yemen's two major tribal confederations. The Sanhan is a part of the Hashid confederation, although prior to Saleh taking power in 1978, the Sanhan was quite insignificant.¹⁰⁹ The Bakil confederation is roughly four times the size of Hashid in numbers, but many of its members are isolated and there are around ten contenders for the position of Bakil's Paramount Sheikh. This position is undisputed within Hashid and is held by Sheikh Sadiq bin Abdullah al-Ahmar, who is the eldest son of the legendary Hashid leader Sheikh Abdullah bin Hussein al-Ahmar, who died in December 2007.¹¹⁰ While it can be argued that only a small percentage of Hashid members benefit directly from the current political order, favouritism towards Hashid is still said to be rampant when it comes to allocating lower positions in the civil service and military. Northern tribal sheikhs (even those outside of Hashid and Bakil) can be considered to be members of the regime collectively (their interests are considered) however, with the exception of the al-Ahmar family, the Sanhan sheikhs, and some of the major Bakil sheikhs (such as Sheikh Abu Lahoom, Sheikh al-Ghaadir, Sheikh Abu Raa's, and Sheikh al-Shaif), they are not individually members of the regime.¹¹¹ The military-commercial elite, is drawn mostly from these tribal groups, and controls the commanding heights of the Yemeni economy.

Some noteworthy examples of figures within the regime include Hameed al-Ahmar, Hussein al-Ahmar, and Abd al-Majeed al-Zindani. While Hameed al-Ahmar is not the *shaykh mashaykh* (paramount sheikh) of the Hashid confederation, he is probably the most politically savvy of Sheikh Abdullah's ten sons,¹¹² and has become increasingly active in the JMP since the 2006 elections. He is the most outspoken of the al-Ahmar family, despite the fact that his interests are still considered by the president, and he is still an important figure within the regime, although he is not a member of the inner circle. However, Hameed's willingness to criticise the president is probably more indicative of his relative safety within the regime's networks than it is a call for systemic change. He does not explicitly challenge the system of elite graft from which he has benefited so substantially. By being so outspoken, and by increasingly funding the activities of (and the personal stipends of members within) the JMP, Hameed is increasing his influence within the opposition. Elements in the JMP remain wary of Hameed because of his reputation for corruption, his role in the 1994 civil war against the south, and for remaining entrenched in the

have effectively been under Ahmed's command. When Ahmed travelled to Saudi Arabia to meet with King Abdullah, the official media announced that the king had met with General Commander Ahmed. This promotion has not been mentioned again and it appears that the inner-circle exercised its veto on this occasion.

109 The Sanhan tribe was once a member of the Bakil confederation but switched to Hashid, although it went against the rest of Hashid by supporting the royalists during the 1962-70 civil war that followed the republican revolution.

110 Sadiq does not wield the level of influence that his father did and his brother Hameed and Hussein are also very prominent leaders in the Hashid, though neither are believed likely to challenge Sadiq for the official leadership.

111 Bayt al-Ahmar and the Hashid elite maintain very strong leverage over the president but not to the extent of holding a veto over him.

112 Some Yemenis will argue that Hameed's brother, Hussein, is in fact the more astute of the two because he remains seen first and foremost as a Hashid tribesman, whereas Hameed plays to many different – some say competing – audiences.

regime establishment that he decries. However, having Hameed as a patron for the JMP better equips the coalition to play at the table of elite politics with the regime.

Another important Hashid figure is Hussein al-Ahmar, a younger half-brother of Hameed, who has become one of Saudi Arabia's most trusted figures. Hussein came to prominence in September 2007 when he established "The National Solidarity Council," a tribal association dominated by sheikhs from all over the country. Hussein has both raised tribal militia to fight the Houthis in Sa'da and has offered to mediate the conflict. His erratic and contradictory positions seem to indicate his perceived need to remain visible, and are probably an indicator of his broader political ambitions. He has a reputation for being a tribesman before he is a politician – a reputation that may help to insulate him from some of the charges that are commonly levelled against his brother Hameed.

Placing Abd al-Majeed al-Zindani in a list of regime members is somewhat controversial because he has moved in and out of favour with the president over time. His inclusion here underlines the ambiguous position of popular Islamist figures within the patronage system. Zindani and President Saleh have been very closely aligned in periods of tumultuous change in Yemen's recent history. After unification, Zindani was appointed as one of the three northerners in the five-member Presidential Council, the body that was replaced in 1994 by the Majlis al-Shura. While his influence has waned, he has provided an important link to Yemen's more radically inclined Salafis. His standing with Yemen's many (thousands) of Afghan returnees, allowed him to muster a fighting force of perhaps up to 3,000 men in defence of President Saleh in the 1994 civil war.¹¹³ Further, in 2006 when the United States began in earnest to pursue Zindani for allegedly funding al-Qa'ida, it was the president that provided him with protection while his party, Islah, stood more nervously on the sidelines.

President Saleh still expects Zindani to deliver his Salafi constituency at times. As tensions flared over the Sa'da war in July 2008, for example, Zindani established a Committee to Prevent Vice and Promote Virtue, which was styled after the Saudi Arabian *muta'wa*, and held a mandate to prevent what it deemed un-Islamic behaviour.¹¹⁴ The Committee forcibly closed several Chinese restaurants and black market alcohol vendors. The closures quickly trespassed the interests of the military, members of which make enormous profits from alcohol smuggling. Shortly after the well-publicised closures, the president reined in the Virtue Committee. He instructed Zindani to allow the sale of black market alcohol to resume and the restaurants to re-open. In October 2010, President Saleh turned to Zindani again to establish the "Religious Reference Committee," which was granted control over "all matters of public concern, large and small" in a presidential decree. At the time of writing this remains an unknown quantity but in also granting it control over the "national dialogue" that the JMP has been pursuing with the GPC since 2006, appears to be deliberately inflammatory (Mareb Press, 2010b).

Independent business leaders are notable in their absence from this list largely because since unification, business has been increasingly funnelled into the hands of the "tribal capitalists" and the "bureaucrats in business" who distribute the economic largesse of the state "according to political criteria" (Albrecht, 2002: 143).¹¹⁵ In these political criteria, independent business leaders are much less of a consideration than traditional clients. Similarly, technocratic or intellectual advisors are not consulted in any consistent fashion and their personal interests are not weighted nearly to the extent that the favoured tribal and military clients are. However, several political dynasties warrant mention, and members of the Abu Lahoom, al-Ansi, Abu Ra's, al-Jifri, al-Iryani, al-Mutawakkil, and al-Wazir families, have all managed to

¹¹³ Estimates vary considerably on this figure and some observers put the number at less than 3000.

¹¹⁴ At the official launch of the Committee, the group's name was changed from "The Virtue Committee" to "The Committee for the Propagation of Virtue," to be more in line with its Saudi Arabian counterpart "The Committee for the Propagation of Virtue and Prevention of Vice."

¹¹⁵ Albrecht cites a study carried out in 1988 (prior to unification), which said that of the 32 government officials surveyed, 21 already owned personal private enterprises and eight were planning to establish one for themselves. See Mohammed, 1995: 299.

maintain a level of political relevance, whether through close collaboration with the regime, through positions as technocrats, or through trying to push the boundaries of political reform. The agents that collectively constitute the Yemeni regime are organised informally through the mechanisms of the patronage system.

The Formal Opposition: The Joint Meeting Parties (JMP)¹¹⁶

The JMP is a diverse coalition of six opposition parties: Islah and the YSP are the larger and more experienced parties, and four smaller parties: the Nasserite Party, the Union of Popular Forces (UPF), the al-Haqq Party, and the Ba'ath National Party (also known as the Iraqi Ba'ath Party). The Ba'ath Party was a member of the JMP 2002-2006, but defected to support the government in the 2006 elections, only to be readmitted to the JMP in 2009. The JMP's two largest members both have previous experience in government: the YSP ruled the People's Democratic Republic of Yemen (PDRY) 1972-1990, and governed in coalition with the GPC until the 1994 civil war, and Islah served in a coalition government with the GPC from 1994-1997.

The Islah Party.

The Islah Party combines a number of Islamist schools of thought and since the 1994 civil war, has increasingly seen a decline in the power of its Salafi and tribal leaders that were so instrumental in the establishment of the party in 1990. As the personal relationships between some of its elites, particularly the al-Ahmar family, and the president have deteriorated, the party has become more divorced from the state-sponsored patronage system in which it was once a pillar. Islah is by far the largest and best organised party within the JMP; it has a considerable grassroots support base and a strong record in charitable work, which helps the party penetrate further into the fabric of society and exist beyond the elite level. As an Islamist party it also offers the only ideological alternative to the status quo. Beyond the very broad label of 'Islamist', however, it is difficult to attribute any one coherent ideological stance to the party. Religion provides more of a vocabulary to the party than a framework for decision-making or policy formation, and pragmatic political considerations have increasingly trumped theological concerns in Islah's public rhetoric. Islah holds 46 of 301 seats in the current parliament.

The YSP.

The YSP's weight within the JMP is far greater than its membership numbers warrant. While the Islah party now has more members in the former south than the YSP, the YSP still has some historical legitimacy with the GPC, due to its experience as a governing party, as the GPC's partner in national unification, and as a 'symbol' of the south. Symbolism and history are powerful forces in Yemeni politics, particularly if the end goal is to negotiate for change rather than to compel it by sheer weight of numbers. The YSP's presence in the coalition, therefore, broadens the JMP's elite network considerably and lends credibility to the JMP as an entity with political experience. Being the only other major party in Yemen, it is also the logical partner for Islah under an opposition umbrella and without the YSP, the JMP would be an entirely different creature. Without the YSP, the JMP would be little more than a vehicle for Islah. The YSP holds seven seats in the current parliament.

The Nasserite Party.

The Nasserite Party holds just three seats in the current parliament and like the YSP, its weight among the JMP leadership vastly outweighs its grassroots presence. As an example, despite having a member-

¹¹⁶ This profile of the JMP draws on an unpublished paper written with Murad Zafir on Yemen's opposition parties (2007).

ship of only around 18,000 (2008 estimate, compared to an estimated 900,000 for Islah) at least one representative from the party is almost always included in meetings conducted by the author with the coalition's leadership throughout the country in 2008. The party's only significant strongholds are in Dhala'e and Ta'izz, which are also key strongholds for Islah and the YSP.

Like the other two smaller parties in the coalition, the Nasserites have never been a significant player in the patronage system. As a formerly underground movement, its roots are in resistance-style politics and this is probably the party's most important contribution to the coalition. The fact that the Nasserite Party was never a part of the patronage system also helps the JMP demarcate space for itself outside of that system, despite the fact that Islah and the YSP were once openly included as parties.

Hizb al-Haqq.

The al-Haqq Party holds no seats in the current parliament but as a Zaydi party that is informally led by descendents of the Prophet (Sayyids) it holds some symbolic power, as well as some pockets of tangible – and apparently increasing – support in the northern governorates of Sa'ada and Hajja.¹¹⁷ After the GPC's majority victory in the 1997 parliamentary elections, the GPC used the religious status of the al-Haqq party to demote its former coalition partner Islah, and awarded the Ministry of Religious Endowments (Awqaaf) to al-Haqq, which had previously been held by Islah.¹¹⁸

The Union of Popular Forces (UPF).

Like al-Haqq, the UPF is a Zaydi party but it exists almost entirely as an elite movement and has virtually no grassroots membership. The party's influence comes largely from members of its elite that live abroad, particularly in the United States and Saudi Arabia, and the ability of these actors to gather funding and lobbying influence from abroad. Other than its elite networks, the UPF's relevance to the JMP is, like the other two minor partners, in spotlighting the coalition's defection from the regime and thus reducing the likelihood of re-assimilation by its members.

The (Syrian) Arab Ba'ath Socialist Party.

The Ba'ath Party is also electorally insignificant, and holds just one seat in parliament, which is unofficially 'reserved' for its General Secretary, Abdul-Wahab Mahmood. The party has been closely historically aligned with the GPC, but it defected to the JMP in 2009, which underlines the JMP's identity as an alternative coalition to the GPC.

Why was the JMP Established?

On the surface, the JMP was established in the desire to compete more effectively with the GPC. Beneath the surface, however, a more defensive motive emerges. The JMP wants 'strength in numbers' protection from an authoritarian ruling party; its members hope that the regime is less likely to play them off against one another, or adopt coercive measures if they can present a united front, preferably one that has international legitimacy. Furthermore, a number of JMP participants made it clear that they wished their opinions to be directly conveyed to the international community by the research team.

¹¹⁷ Sayyid status is not formally required to hold a leadership position, and the party's membership extends beyond this narrow group.

¹¹⁸ Hizb al-Haqq has been in the news since 2004 as the party that the instigator of the Believing Youth uprising in Sa'ada, Hussein al-Houthi, represented in parliament from 1993-97. Al-Haqq may be broadly sympathetic with some of the aims of the al-Houthi family but considers them a renegade group, not a faction of the party. Despite the party's official distance from the Sa'ada conflict, events in Sa'ada have further distanced al-Haqq from the regime and have helped to reinforce the overall image of defection from, and resistance to the regime that the JMP has attempted to portray. However, al-Haqq has become more significant as a result of the successes of the al-Houthi insurgency in Sa'ada in recent years. People are rejoining the party in the Zaydi areas north of Sana'a, although there have not been any parliamentary elections held since this time to measure the impact of its popularity more directly.

The JMP has provided its smaller members with protection from the regime, and in return the smaller parties have added legitimacy to the JMP's rhetoric of political exclusion, and have helped to provide evidence that Islah and the YSP – both previously in coalition with the GPC - have now fully defected from the regime. However, the only real requirement for JMP membership is not being a member of the GPC, and its members' historical backgrounds thus range from the extreme left to the extreme right. Because there is little ideological glue to bind them together it is possible that any member could defect to the GPC.

The JMP's Collective Action Problem

The JMP's collective action problem is the result of two factors: the first of which stems from the fact that the coalition contains such a diversity of political, ideological, tribal, and religious views, and the recent memory of civil war between coalition's two largest parties (Islah and the YSP). The umbrella offered by the JMP is so wide that there is even an extensive array of opinions regarding how best to approach the GPC, which ranges from close collaboration to complete defection.

In an effort to maintain the united front that its members believe is so important to allowing it to sit at the negotiating table with the GPC, the JMP's central level politics are built on compromise and a willingness to make concessions between one another (as individual elites) in order reach a consensus and maintain the coalition. For example, the JMP's internal coalition by-laws state that no action can be undertaken unless every member party agrees to it, but in reality the decision is made by a narrow group within the leadership of each party. Every party thus has a veto on any collective action. While this is intended to maintain unity and prevent internal factionalism, it also places a glass ceiling on what can be achieved. If the interests of the individual parties are not in line with every other member's interests, the bylaws explicitly favour the lowest common denominator of acceptable action. This preference for maintaining the appearance of unity has had the effect of weakening all of the members by enforcing a sometimes bland uniformity.

A subset of this problem derives from the fact that one party (Islah) has vastly more popular support than any of the other members parties and that the other parties see this as a threat to the unity of the coalition. There is a fear among the smaller partners that the dominant Islah party will ultimately emerge as the sole beneficiary of the coalition. The smaller parties fear marginalisation and eventual irrelevance, while Islah fears that its partners could withdraw from the coalition on the basis of that fear. Islah has thus agreed to a power-sharing agreement in which it is, theoretically, equal to its partners despite the problems that this causes for the coalition's overall strength. The reality of Islah's dominance in resources and organisational capacity is not openly acknowledged for fear of causing divisions.

In reaching this settlement, its members have also settled on a lowest common denominator basis of agreement in order to stay together. In avoiding some of the more loaded political arenas such as the role of women and the *shari'a* in political life, the basis of agreement has been set around calls for a sometimes ill-defined political and economic reform initiative. While genuinely believed by the majority of the JMP, these goals also represent the JMP's endeavour to create a new inclusive ideological banner for itself in the absence of other value positions. There is no coherent policy, ideology, or vision that links the parties together other than the broad desire to serve in the regime's stead and to implement a broad swathe of reforms. There is no other internal political settlement within the JMP. The JMP was conceived as a defence mechanism against the GPC but it also mirrors one of the GPC's main characteristics – an ideologically fragmented umbrella group for elites. It is a largely a survival coalition for which developmental rhetoric is a significant part of that survival strategy. The coalition's central leadership implicitly views the purpose of the coalition as a being mechanism to lobby the government

for greater concessions to a reform-minded elite, rather than as a means of gaining power or compelling change through the weight of its supporter base. Of course the JMP is seriously constrained by the regime's deliberate efforts to undermine it at every step, but the JMP's popularity has been hindered by its attempts to persuade the regime to change itself, rather than to compel it to change by becoming attractive to a broad cross-section of ordinary citizens.

While the JMP's leadership decries the regime it continues not to directly appeal to the street for fear of trespassing the regime's red lines against populist politics by its competitors, and being either marginalised or crushed by the regime. The JMP's reticence to take this path is a rational response to its very difficult position, but the adverse effect on its popular credibility is clear. In its *Vision for National Salvation* (March 2010), for example, the JMP articulated many well-known diagnoses of, and technical solutions to, Yemen's political and economic crisis, and yet it has still failed to persuade the regime to either accept it as a partner for change, or to implement some of the reforms that it recommends. As one of the JMP's most senior, and outspoken, leaders noted when asked which of Yemen's problems the JMP had the ability to solve: "none, the JMP is just an umbrella to regenerate the legitimacy of the system."¹¹⁹

As the recent protests in the south, in Taizz and, to a lesser degree in Sana'a, have shown, dissatisfaction with the regime is not being funnelled to the JMP. The coalition's mainstream, particularly Hameed al-Ahmar, is widely seen as being enmeshed with the status quo. The irony of the JMP's statements is that its calls for political reform seem esoteric and insincere to a public that does not see the links between its public rhetoric and improvements to their daily lives.

The JMP and Elite Bargaining

The neopatrimonial paradigm is engrained in many aspects of the JMP's existence, and the fact that it reflects the system from which it has symbolically defected presents the coalition with its greatest dilemma. The JMP calls loudly for progressive change and for the creation of a national unity government but the structure of the JMP is still best suited to lobby style politics, rather than to consolidating an alternative power centre.

The JMP tries to persuade President Saleh to enact reforms that benefit the opposition without making a sustained and focused effort to challenge him for his job. The most obvious incentives for this strategy are that it is less politically and economically costly. The JMP cannot realistically summon the level of resources that the GPC can and so it must make do with trying to maximise its position through bargaining and persuasion. For example, the concessions made by the regime prior to the 2006 elections (in an agreement known as the "June 18 Agreement") were, at least theoretically, greater than what it would have been forced to concede in an electoral contest.

On paper the June 18 Agreement commits the GPC to a "dialogue" (*al-hiwar*) on national reform in partnership with the JMP. However, the fact that more than four years later the conditions under which such a dialogue may begin to proceed were still being negotiated points to the lack of perceived incentives for the regime to participate. This said, these incentives may shift if popular protests continue to gain traction.

Furthermore, the JMP does not challenge the logic of the neo-patrimonial decision-making that continues to exclude it from the hierarchies of power (that is, decision-making by 'big men' with personal links to the regime who are beyond public scrutiny). One Islah member responded to the questionnaire, for example, that the reason the JMP is not more effective is because "there is fear that any escalation will

¹¹⁹ Participant's response to survey: JMP leader and former senior civil servant.

lead to confrontation.” He also commented on the lack of internal transparency within his own party, saying: “I just want one true electoral cycle where democracy is practiced within the party,” indicating that a significant part of the problem is that the member parties of the JMP do not have the internal transparency/democracy that they call for in their opponent. Despite its rhetoric to the contrary, the internal structures of the JMP largely mirror those of the regime, and the desire to become more broad-based and inclusive appears absent from its vision. The JMP’s actions and its ongoing preference for elite dialogue over grassroots populism suggest while the JMP wants someone else in power, it is less certain that it wants an end to personalised power, exercised by the elite and unchecked by the public.

In fact, some parts of the JMP have become outwardly concerned with seeking shelter under the protective umbrella of one of the regime’s more outwardly rebellious members, Hameed al-Ahmar. Hameed has bankrolled many of the JMP’s activities, provided some of its members with salaries, and established the “Preparatory Committee for National Dialogue.” The Preparatory Committee has established a presence in the JMP’s local branch offices and is working to try to increase grassroots support for the coalition, but the power of the central elite has remained dominant. It is important to point out, however, that Hameed’s presence in the JMP has been divisive (Mareb Press, 2010c). One participant in the survey argued: “Hameed thinks that we will be under his control but we know that he is no different to Saleh. We will never be under his control.”¹²⁰ However, in the absence of alternatives, Hameed’s patronage presents an alternative to a coalition that is continually frustrated by the regime.

As a coalition, the JMP challenges who is included in the system, but only inconsistently challenges the nature of the system itself. This is not to say that there are not some members of the JMP that genuinely seek to create a political system that uses its wealth more productively and is more inclusive of average Yemenis, but that there is a fundamental mismatch between this goal and the norms of Yemen’s political processes that the JMP has not been willing or able to consistently challenge.

The Ruling Party: The General People’s Congress (GPC)¹²¹

While the GPC hold the parliamentary majority is considered Yemen’s ‘ruling party’, Yemen is not a state that is governed by a formal political party. The GPC is a vehicle for the personalistic system of President Saleh, and does not exercise independent political power. Saleh established the GPC as a permanent body in 1982 in an attempt to formalise the existing system of patronage that was available to politically relevant supporters of his rule. It was also intended to undermine the increasing political power and capacity of the Local Development Associations (LDAs). The LDAs were civil society organisations that emerged in the 1970s and used unregulated labour remittances to provide education and basic infrastructure (such as roads, schools, health facilities, and water pipes) to communities beyond the control of the central government. Kiren Aziz Chaudhry argues that LDA spending between 1973 and 1980 was more than 300 percent what the government’s development projects spent during the same period – and was certainly much more effective. Concerned by the overt independence of these organizations, the government combined them into the centralised Confederation of Yemeni Cooperatives in 1978 (Chaudhry, 1989: 133–34; Beatty, al-Madhaji and Detalle, 1996: 20), which began the process of their marginalisation. The establishment of the GPC finalised the co-optation of LDAs by the Saleh regime. As Sheila Carapico notes, the GPC’s first Permanent Committee was made up of 700 delegates that had been elected to positions within the LDAs, and President Saleh nominated another 300 members (Carapico, 1998: 38).

These origins reveal much about the nature of the contemporary GPC. The party retains the ideological incoherence that justified its foundation, when political parties were banned and an incorporative

¹²⁰ Participant’s response to survey: JMP (Islah) leader.

¹²¹ The following description of the GPC borrows from the author’s book (Phillips, 2008: 50-1).

political umbrella was the preferred method of accommodating competing political factions. To be a member of the GPC, therefore, requires no necessary ideological leanings. Members and leaders are able to pursue various personal and business interests. While personal, military, and tribal affiliations are very important in the competition for resources distributed by the president, the party quite happily incorporates people from very different ideological backgrounds on the strength of its own patronage system. Islamists, former socialists, merchants, tribal leaders, moderates, hard-line religious conservatives, and some genuinely progressive reformers all exist side by side under the GPC umbrella.

The GPC was essentially created as a political mobilisational tool for the state and is a semi-formal shell in which the Saleh regime's patronage networks operate. The party is granted inordinate access to public money and the security apparatus, which explains the majority of its strength. Without its privileged access to the resources of the state and its role in their distribution, the party would cease to exist in its current form. Even when the party began to devolve some of its limited institutional power to the geographic periphery in the lead-up to the 2006 elections, it did so by targeting local traditional elites, members of the state security apparatus, and district local council directors as new party members, not by appealing to the people with its policy platform. Restructuring in this way helped the GPC to better harness the input of local elites but showed that the party was still firmly founded upon the personalised patronage system. As a party, the GPC is weaker than the sum of its parts and derives most of its power by being the party of the president. The GPC essentially lends support, and its parliamentary majority, to the will of President Saleh and, by extension, to the elites with whom he consults.

Why the Political Party Elites Cannot/Will Not Act

This study set out to determine why Yemeni elites have failed to take effective action against the plethora of challenges facing the Yemeni state. The survey revealed a striking level of agreement between participants, whether from the opposition or the ruling party, that the country faces a serious threat. Not even the most cautious and embedded participants responded negatively to the question "do you believe that there are serious problems facing Yemen?" Furthermore, all but one participant (a member of Islah) reported that "the overall level of threat posed to Yemen's future" was either "serious but temporary" or "insurmountable and permanent,"¹²² with 79 percent electing the latter to define the nature of the threat. Sixty-four percent of participants indicated that they believe that "these problems will affect the daily lives of ordinary Yemenis" to a "catastrophic" degree.

Furthermore, the majority of participants saw the causes of the problems in similar, and strongly agential terms, with 75 percent of participants nominating "leadership" as being the only cause of Yemen's serious problems.¹²³ A further 6 percent said that leadership (or other agential factors, such as "political vision" or "political will") was one of the causes, that is, they also believed that factors relating to either bad luck or the quality of the people were important. Some GPC or government officials who were being cautious focused on natural resources and of the quality of Yemen's citizens, but many of them later alluded to elite agency-based prerequisites to solving the problems. In total, therefore, 81 percent of participants nominated factors pertaining to the willingness of the country's leadership to confront the challenges as being the most important cause of the problems.¹²⁴ Structural restrictions are perceived to be tight in the spaces where the party elite operates, but the room for agency at the top is perceived to be high. President Saleh has nervously watched the removal of his regional counterparts, and even declared that he would not seek re-election when his term expires in 2013. These figures, therefore,

¹²² He believed that they were either "minor and temporary" or "serious but temporary."

¹²³ While "leadership" was one of nine specific options listed in the survey, we have also taken into account the participant's statements in the semi-structured interviews that followed, and if they clearly emphasised leadership in the latter part of their assessment, their response has been included in this category.

¹²⁴ Of the 17 percent of participants (11 people) that did not nominate agential factors, all but one was from the GPC, the other was from the Ba'ath Party, which only recently left its alliance with the GPC to join the opposition. One participant also refused to answer the question regarding the causes of Yemen's problems.

have very significant implications for donors seeking to offer alternative scenarios.

When discussing their own individual capacities as leaders to solve the problems they identified, perceptions again varied little across party lines: participants strongly felt they are too weak to influence the course of events because power is concentrated at the top and that, therefore, offering advice to the leadership is the most effective option available to them. While this response could be expected from the JMP, in fact, participants from the ruling party also underlined the helplessness of their own party to a considerable degree, as is demonstrated below. Several government ministers also noted that neither the GPC nor the government can take effective action against Yemen's problems. The opposition, on the other hand, believed that their inability to affect changes is due to the concentration of power in either the GPC or President Saleh.

Even though most participants perceived that decisive action is in their collective interests they felt that their individual latitude for movement is negligible. There was thus a strong perception that Yemen's problems could be solved to a considerable degree if President Saleh genuinely decided to mobilise the resources at his disposal towards this outcome. This was noted by participants from both sides, including individuals with direct access to President Saleh.

For example, a GPC Member of Parliament (and the closest regime insider interviewed for this study) lamented when asked what capacity his party has to solve Yemen's problems is: "none, because of the mentality... there is a lack vision." This view is often reflected by ordinary citizens when people cannot provide any inkling of a political agenda or direction other than to uphold the status quo. Other rumblings of discontent were made public through US diplomatic cables released by Wikileaks:

Largely unprecedented criticism of Saleh's leadership within the rarified circle of Saleh's closest advisors has increased in recent months, even including longtime Saleh loyalists such as Office of the Presidency aides xxxxx, according to xxxxx. These names add to the growing chorus of Saleh loyalists that have shed their traditional aversion to disparaging the man they call 'The Boss'... (United States Embassy, Sana'a: 2009b).

Along similar lines, a member of the GPC's parliamentary presidium commented: "The GPC is not a party. It is a party for the leader... only when there is political will anyone be able to get anything done." When asked what his individual responsibility as a leader is to work towards solutions, he commented: "there is only one leader so don't ask me that." A member of the Shura Council (also a former cabinet member) commented regarding the problems facing the country: "it's corruption and ineffective government and after that it's the decline of water resources. These are all serious but temporary... It's really the leadership, but how can I say it?" He also said, when asked about the most effective way to solve Yemen's problems: "trust between the leader and the followers;" in other words, that the president should trust the people around him enough to devolve some power to them. In his estimation, all responsibility ultimately lies with President Saleh. He said that his individual responsibility was only to "advise the president."

A member of the GPC's General Committee elaborated on this feeling of powerlessness further: initially he was uncomfortable using the term "leadership" to describe the causes of Yemen's problems, and requested that the term "political system" be used instead, even making certain that "political system" replaced the word "leadership" on the form. However, when he noted that the GPC has no power to solve any of Yemen's problems he stated that this was "because the *political system* does not allow it."

Q: What is your responsibility as a leader in solving the problems facing Yemen?

A: "None."

Q: Is it still your intention to try to work toward a solution or has the problem/s become too serious for you to have an impact?

A: "I've given up."

A Yemeni diplomat with close links to the regime's leadership responded to the question of how he could be more effective as a leader, saying: "by gaining the confidence of the [president's] family;" in other words, if the inner circle does not trust a person, they lose access to President Saleh. Another diplomat with close access to the president commented similarly that the GPC cannot solve any of Yemen's problems because "it's not as a party, it's people – some people in the party can make the difference by developing solutions and giving advice." When asked if other countries might be more effective at solving Yemen's problem he answered: "yes – unless the leader takes the lead on reforms."

A senior GPC technocrat commented that the main cause of Yemen's problems is "the absence of governance, absence of the rule of law, paralysed institutions, [state] intervention in justice, and the centralisation of power. The latter is the most important."

Q: What are the solutions to the problems?

A: Crisis is inevitable. The only solution is "complete system reform."

Q: Which of the problems does your party have the ability to solve?

A: "None... the party and government are paralysed because of the concentration of power."

Q: What is your responsibility as a leader in solving the problem/s facing Yemen?

A: "Offering advice and suggesting solutions to decision makers."

Q: How could you be more effective?

A: "If I wasn't receiving my salary from the government then I would be more effective."

Each of these comments were made by ranking figures within the ruling party, who were each selected on the basis of their access to President Saleh, and (mostly) for their public record of developmentally inclined actions. The survey results reveal that participants perceive their own structural constraints to be tight but that they believe there is wide latitude for agency at the top. However, this suggests that they underestimate the structural constraints facing President Saleh which, as discussed above, are considerable, though probably not insurmountable. This suggests that there is little room in which an alternative developmental coalition might emerge; and that change, if it comes at all, will only materialise from within the dominant elites when a critical mass decides that this is in their interests, and can take the military with them. With President Saleh holding the only individual veto power within the regime's inner circle this means that, in the absence of a coup, he must consent to such change. He must, therefore, see a survival-based incentive to act in this way.

Conclusions

This study set out to determine whether or not Yemen's political elites perceive that there is a serious threat facing the country's longer-term viability and, as this was found to be overwhelmingly the case, why they have not formed a sufficiently broad-based coalition to overcome these challenges? It found that there are two distinct groups of elites and that threat perceptions differ sharply between them. With the political party elite being in such broad agreement that decisive action must be taken for the longer term viability of the country, why then has the other elite group – the president and his inner circle – not seen a survival-based incentive to act?

Three Collective Action Problems

This paper found that collective action problems provide significant barriers to reform in the three key groups of Yemeni elites that might be expected to catalyse change. Collective action problems can be seen in the system of patronage that includes almost all of the country's politically relevant elites, in the political settlement that holds the members of the JMP together in coalition, and finally, in the political settlement that maintains the regime's inner circle.

In the first two groups, the level of inclusiveness proved to be a barrier to change. Within the patronage system inclusiveness is high but group cohesion is low, which makes it very difficult for members to negotiate changes to the status quo if that were their goal. The common denominator in this group is – willingly or otherwise – complicity in the rent-seeking behaviour of the state, and dissent is thus focused on the distribution of rents and favours rather than on issues of development. Action that may be collectively rational for the longer-term survival of the group – an end to their reliance on short-term rent-seeking – is individually irrational and thus stifled. While the JMP's internal settlement is structured around the lowest common denominator and hence the least effectual basis for achieving developmental outcomes, it has achieved the members' common aims of survival in an authoritarian environment.

The members of the JMP are also constrained by a collective action problem: the members of the coalition have low ideological and historical commonalities and are held together by the desire to protect themselves, and occasionally extract greater concessions, from the regime. In order to remain united they cannot admit that Islah is the most politically powerful and relevant member of the group lest the others appear irrelevant, so each member was given the authority to veto any group decision. This helps maintain the myth of equality but the veto has also enforced a bland uniformity on the coalition and an unwillingness to test new ideas. The irony of this situation is that in trying to enforce collective rationality over individual rationality, the individual parties have been weakened to such a degree that their whole is considerably less than the sum of its parts.

The possibility of agency-driven change is greatest within the regime's inner circle which is, by contrast, a highly exclusive group. The collective action problem that exists within the inner circle has the most significant impact on the lack of developmental reform within the country. Despite the clear advantages of incumbency, President Saleh is structurally constrained by the expectations of his inner circle, none of whom display characteristics to suggest that they are developmentally inclined. If President Saleh were to implement developmental reforms he would need to upend the system of privilege that allows their predation to continue, and would almost certainly encounter serious resistance. The inner circle has essentially created a structure that reinforces their agential disinclination for developmental reform. President Saleh exercises almost absolute control when it comes to maintaining the status quo that benefits his inner circle but he is quite constrained in his ability to alter their political settlement. Despite

this, it is reasonable to expect that the apparent stalemate could change were the president to see a survival-based incentive to renegotiating the agreement that keeps this group together. This raises questions for how Western donors can target anti-developmental settlements that are grounded in agential preference, that are discussed further in the section on policy implications.

What Does the Regime Know That the Political Party Elites Do Not?

More constraining than the inner circle's collective action problem is, however, has been the perception that rents can be replaced (and the patronage system can be thereby maintained) and that the challenges facing the regime are not sufficient to force it from power. The behaviour of external actors has reinforced this view. While the internal calculations of the president are impossible to prove, many of his public statements suggest that, unlike the participants surveyed for this study, he has believed Yemen's challenges to be minor and temporary. For example, in an interview with Abu Dhabi Television in January 2010, he commented that the problems in the south (that is, the grassroots secessionist movement) had been heavily exaggerated and were really just a matter of "dozens or hundreds" of people (Abu Dhabi Television, 2010). In an interview he did with Dubai Sports in December 2009, he reassured his interviewer that Yemen's Gulf Soccer Tournament would go ahead as scheduled in November 2010, and would not be affected by the war in Sa'da because "the war is about 600 kilometres away" (Dubai Sports Channel, 2009). It appears that President Saleh's apparent lack of great concern has derived from his confidence in three factors.

Rents are Still Available

The most important of these factors is his proven ability to extract funds from Yemen's neighbours, particularly Saudi Arabia. Access to this funding means that President Saleh believes that he can probably maintain power even if the threats facing ordinary citizens (particularly household food insecurity) continue to worsen. As discussed above, in 2009 Yemen received \$US2.2 billion dollars in untied money from Saudi Arabia and a further \$US700 million from the U.A.E., making the total (known) amount around 70 percent of what Yemen earned from oil exports when revenues peaked in 2008. In 2010 Saudi Arabia contributed at least \$US1 billion in untied funding, though most estimates also put this figure at more like \$US2 billion again. This does not include the money that Saudi Arabia pays directly to Yemen's tribes. Libya also contributed \$US 500 million in a fixed deposit to the Yemeni Central Bank in 2010. There is money to be made from crisis, just as there is leverage to be gained from being seen to pose a threat to regional and international security. External actors appear, therefore, to be frustrating the emergence of a political alternative by facilitating the regime's short-term rent-seeking behaviour and reducing its incentives to risk enacting longer-term solutions that would improve the livelihoods of its citizens.

However, President Saleh's beliefs about his personal importance to internal Saudi politics may also be distorting the accuracy of his threat perceptions. An article by Hussein Leswaas in November 2010, a journalist widely known within Yemen to write pieces that have been intentionally leaked by the palace, suggests this possibility. The article is titled "The Role of the President in the Factional Conflict in Saudi Arabia," and argues that President Saleh has played a pivotal role in mediating the conflict between King Abdullah on one side, and Crown Prince Sultan and Prince Naif on the other, noting that: "the president has played key roles in restructuring alignments within the two blocs" (Leswaas, 2010). Media articles about the relationship between Yemen and Saudi Arabia are considered highly sensitive by the Yemeni regime and it is highly unlikely that an article of this nature, and with this level of detail about internal Saudi politics, would have been printed without permission at the highest level. This suggests that President Saleh may believe that he is indispensable to Saudi Arabia and that his leverage within the Kingdom is guaranteed – something that is questioned by many observers. A cable released through

Wikileaks notes, for example, from the American Embassy in Riyadh says: "We have seen no evidence that the King has any particular regard for Saleh beyond exasperation that borders on disgust." (United States Embassy, Sana'a: 2009b). If President Saleh does believe himself to be indispensable, this helps to further explain his confidence that financial assistance from the Kingdom will continue to be forthcoming.

Comfort in Volatility

The second reason for President Saleh's apparent lack of concern about Yemen's political and economic conditions has been his comfort at operating in volatile environments, which he often refers to as "dancing on the heads of snakes." The fewer rules and institutions there are, the wider his room for manoeuvre becomes, and the more opportunities there are to create rivalries among opponents. For those in the upper echelons of the Yemeni regime, the reproduction of power and wealth is facilitated by managed crisis more than it is threatened by uncontrolled crisis, and so what outsiders typically see as instability looks rather different to the inner circle. This is because of the potential that crisis offers for generating further rents, whether through international grants, foreign security assistance (which can be deployed against domestic political opponents), smuggling, or other criminal activity. From this perspective, formalised rational-legal constraints to the regime's ability to generate rents poses a greater short-term threat to their interests than the possibility of violent conflict, an economic crash, or famine. Violent conflict does not necessarily pose as great a threat to the regime as outsiders, particularly in the West, may believe. In fact it can create opportunities, potentially even including the opportunity to settle old scores with factional rivals amid the fog of war.

No Obvious Alternatives

Finally, as yet there is no alternative political power centre (progressive or otherwise, formal or otherwise) that could seize power from President Saleh. While this does entirely not discount the possibility of him being removed without an obvious successor in place, fears of chaos among an already vulnerable, divided, and under-educated population are very deeply entrenched and actively fostered by Saleh. Of course, such fears are not guaranteed to remain permanently. The political forces that are emerging, such as the southern secessionist movement, the al-Houthis, AQAP, and Hameed al-Ahmar's "Preparatory Committee for National Dialogue" have all failed to convince the Yemeni public that they can lead the country instead of President Saleh. At least in their actions, the Yemeni public and the political party elite alike appear to believe that, for all of his faults, the leadership of President Saleh is still not the worst available option.

While members of the opposition still draw at least some benefit from the political status quo, they have also been justifiably wary of provoking too harsh a response from the regime. They realise that opting out of the system by demanding genuine reform, that is, reform that targets the president and his inner circle, risks marginalisation. They may see the system as flawed, but many also believe that its likely alternative is chaos. Political demands that threaten the regime, and thus the system itself, too dramatically have often been seen as counterproductive.¹²⁵ The survey revealed that most of Yemen's political party elite still saw President Saleh as being central to any process of 'safe' change. This suggests that they did not feel capable of pursuing an agenda that is contrary to that of President Saleh. Even though the opposition talks about regime change, they do not take the risk of substantively challenging the president, whom they appear to still consider as the father of the nation, or at least the person most likely to deliver them with individual benefits through the patronage system. At the time of writing, the outcome of Yemen's burgeoning civil protest movement was unknown but the JMP was tending to

¹²⁵ Being significantly older than the average Yemeni citizen (over 75 percent of whom are under the age of 25) the political elite are likely to remember the level of instability before President Saleh came to power in 1978, and the fact that in the nine months before he came to office the previous two north Yemeni presidents had died violently.

underline their desire for gradual change and reform rather than to call directly for the resignation of President Saleh. This may change as events progress but it will remain critically important to understand the strategies, preferences, and internal structures of the JMP in determining their ability to catalyse developmental reform in the future.

What do Most Observers know that the Regime May Not?

The inner circle's calculations that it can prevail despite the vulnerability of ordinary citizens may also be seriously flawed. The interviewees' collective belief that Yemen faces a serious crisis suggests that the president's preference for tone-deaf yes-men over the political and technocratic advisors that he once favoured has left him without a nuanced understanding of the changes underway in Yemeni society. In seeking to cement a power-hierarchy that protects the political settlement of the inner-circle, the regime has little agility to deal with scenarios that do not fit within its narrow model of expected behaviours. If society deviates from that model, the institutions built by the regime are poorly equipped to adapt to it.

In failing to protect feedback mechanisms that deliver society's reaction to the behaviour of the state in a regular, safe and nonviolent manner - whether through fair elections, the media, opinion polls, or legal demonstrations – the regime has left itself vulnerable to less predictable mechanisms, such as riots, civil unrest, insurgency, or even revolution.

External Impediments to Development

The impediments to change highlighted in this study also reveal the importance of exogenous factors in the maintenance of the dysfunctional political settlement. Yemen poses a security threat to its neighbours and to the international community, which has increased the willingness of external actors to guarantee the financial survival of the Saleh regime despite its inability/unwillingness to nurture the domestic economy for the same purpose. These impediments are discussed further in the section on policy implications below.

Policy Implications

The most important implication of this project for policy makers is the finding that there is a disconnection between the sources of Yemen's problems and the areas in which solutions are being targeted. This disconnection is occurring at two levels, and while it is most obvious at the macro-level where deeply political changes within the *regime* are sought through technical changes within the *government*, it is also apparent in some of the more localised interventions being attempted by Western donors.

Disconnections at the Macro-Level

The regime's inner circle (the informal state) dominates political decision-making and resource allocation but it is the government (the formal state) that Western donors expect to deliver systemic changes in exchange for greater support. This study has argued that Yemen's political volatility and lack of economic growth is a matter of choice before it is a matter of structural capacity, which puts donors in an awkward position. They cannot – and should not – work towards regime change, but neither can they be effective without putting the dysfunction of the political settlement at the centre of their engagement with the Yemeni state. The poisoned semantics of political change in the Middle East for Western governments are obvious but calling for change within the regime is not the same as calling for regime change: President Saleh and his inner circle could conceivably lead this change if they collectively perceived change to be in their self interests. The challenge is to first access the inner circle directly, and second to persuade them that change is as inevitable as it is in potentially in their longer-term interests.

Dealing with matters of agency and elite self-interest is outside the traditional purview of donors, who work with more tangible issues of capacity, hoping to mould developmentally progressive leaders by creating the right tools for them to do their work. Often, and in the case of Yemen, this puts the cart before the horse. Technical reforms to Yemen's government institutions are unlikely to have a significant impact unless there is also a sea change in the politics that drive the capacity of the state's formal institutions. The longer-term developments that are likely to enable this include the higher education of its citizens (particularly at tertiary levels where critical thought is a focus), and second in the development of a more cooperative relationship between the political and the economic elites.

Enabling Dysfunction

The West and Yemen's neighbours have both been clear that they will use exceptional measures to support the regime against collapse. US Secretary of State Hillary Clinton stated to the first *Friends of Yemen* meeting in January 2010, for example: "Some might ask, given the past history, why we should feel compelled to offer more assistance to Yemen. The answer is that we cannot afford inaction" (cited in Richer, 2010). This external view of Yemen offers the regime considerable leverage (real and perceived) against the international community. Furthermore, it provides disincentives for the regime to shift its rent-seeking business model to one that nurtures the economy or bargains with its citizens for its legitimacy. While this remains so, it will be less politically costly for the regime to bargain with the international community for support than to restructure its collusive, and often predatory, political settlement.

Even though President Saleh is significantly constrained by the collective action problem within his inner circle, there is still room for him to enact developmental reforms were he (and/or they) to believe that the likely rewards outweighed the risks. The sticking point is that these agents do not appear to see their self-interests being served in this way, a belief that is reinforced by the current external model in Yemen. With the prevailing international focus on the need to 'stabilise' Yemen by providing the regime with extraordinary assistance, the status quo of rent-seeking offers President Saleh and his inner circle

the path of least resistance. The stabilisation strategy risks entrenching the elements of the system that most need changing, while allowing the dysfunction to remain.

Disconnections at the Local-Level

The disconnection between problems and solutions can also be seen at the more local-level of donor interventions, in which aggrieved tribal communities are prioritised at the expense of the traditional commercial centres. It is in the traditional commercial centres that the skills of entrepreneurship are most prevalent, that education levels are highest, and it is, therefore, also in these areas that the likelihood of facilitating national economic regeneration is greatest.

Through its “Community Livelihoods Project for Yemen” USAID is targeting development assistance at the areas that AQAP has established a presence, including ‘Amran, al-Jawf, Marib, Shabwah, Abyan, Al-Dhala’e, Lahj, and Aden.¹²⁶ However, while these parts of the country are certainly vulnerable, they are not necessarily the *most* vulnerable, particularly if levels of household food security are used as an indicator.¹²⁷ The logic of targeting those eight governorates stems instead from the fact that most serious external security concerns are based there.¹²⁸ With the exception of Aden, these parts of Yemen traditionally produce little and are, therefore, unlikely to drive national economic growth in the short term.¹²⁹ Furthermore, if the nature and presence of the government is part of problem that AQAP is preying on in these areas then reinvigorating that “presence and legitimacy” (USAID, 2010b: 6) is not necessarily the solution, and may even exacerbate the problem.¹³⁰ Finally, by prioritising these governorates for development assistance, the livelihoods programme risks tacitly incentivising both militancy and rent-seeking without necessarily addressing the root causes of AQAP’s traction. Just as importantly, this strategy risks overlooking the areas from which a solution to Yemen’s economic malaise may be more likely to emerge in the longer term: the parts of the country that have a robust history of pragmatic commerce, entrepreneurship, and high levels of education. This can be found in the governorate of Ta’izz.

Ta’izz

The governorate of Ta’izz (along with the neighbouring governorate of Ibb) constitutes the most populous and fertile part of Yemen. Having long been considered the ‘bread basket of Yemen’ for its relative abundance of productive land, Ta’izz is the country’s most important commercial centre, and is home to the country’s traditional merchant class. Within Yemen, people from Ta’izz have a reputation for being the best educated, and the area prides itself on the quality of schooling available. One finds people from Ta’izz in every part of the country; teaching in schools, running small businesses, working in government offices, and in the lower echelons of the military. While the author is not aware of any reliable statistical data on how much is produced in Ta’izz compared to the rest of the country, a quick visit to the region is enough to attest to the priority that is attached to industry, production, trade, and education compared with the northern highlands area that surrounds Sana’a.

Prior to the influx of oil wealth in the early 1990s the majority of Yemen’s contractors were from around Ta’izz (with a few from Ibb, al-Baydha, and Marib) but the ability of the Saleh regime to distribute

¹²⁶ The Community Livelihoods Project for Yemen states: “it will be important to focus on the most vulnerable areas, where stabilization needs are greatest, where interventions can have significant impact, where conflict drivers can be mitigated, and where government presence and legitimacy can be reinvigorated.” (USAID, 2010b: 6).

¹²⁷ The World Food Programme reported in March 2010 that ‘61.4 percent of all food-insecure and 66.9 percent of severely food-insecure people in the country are concentrated in 5 of [Yemen’s] 19 governorates (Al-Hodieda, Amran, Hajja, Ibb and Taiz)’ (World Food Programme, 2010: 40). Only one of these governorates, Amran, is included in the eight governorates that are targeted by USAID’s livelihoods programme.

¹²⁸ Aden may be at least a partial exception to this, although it was the site of the USS Cole bombing in 2000 and the Gold Mohur Hotel bombing in 1993.

¹²⁹ Oil and gas are extracted from reserves in Marib and Shabwa but few goods are produced in these areas.

¹³⁰ For further discussion of AQAP’s narrative in these areas see Phillips, 2011.

economic largesse to its traditional clients has meant that there are now only two major contractors from the area. Under the current political settlement, the merchants of Ta'izz are politically marginalised but they are still economically powerful. The *Hayel Saeed Anam Group of Companies* warrants special mention; it is Yemen's largest private sector company by a very significant margin, and the country's only truly multinational company. It is pragmatic and has solid business ties in both Saudi Arabia and in the regime's inner circle. Most importantly, the company is largely apolitical and highly commercially competent. If any part of the country can foster a more cooperative relationship between the political and economic elite, it is most likely to be found in Ta'izz, where entrepreneurial experience is most engrained. As discussed above, the obstacles facing investors in Yemen are constructed (or at least permitted) by the regime to a significant degree and could be diminished if it became in their collective self-interests to do so. Donors should consider also prioritising the search for economic opportunities in areas that have a history of a production-based economy rather than focussing assistance so tightly on the areas where al-Qa'ida has gained traction but which are traditionally detached from nationwide commerce.

What Can Be Done?

Saudi Arabia is Pivotal

The West cannot hope to (and does not wish to) match the level of financial assistance that Yemen's neighbours can provide. However, the attempt to consolidate a united front within the international community to the Yemeni regime has also been unsuccessful due to the willingness of Saudi Arabia to continue to provide direct and unconditional assistance, as it did just days before the *Friends of Yemen* conference in September 2010. This meeting had been intended to showcase the unity of external actors to the Yemeni regime. Instead the message conveyed was one of disunity. Direct engagement at the highest levels with Saudi Arabia will have to be part of the strategy to stem the disincentives to deep reform. This may be possible through the offer of Western support for the faction of the regime (King Abdullah's) that favours stability in Yemen against the faction that has incentives to foster instability (particularly Princes Sultan and Naif). The engagement with Saudi Arabia will need to be conducted at the highest diplomatic levels to have the necessary weight. To an extent this is already occurring, and the key driver behind the formation of the *Friends of Yemen* was the desire to bring Saudi Arabia's policies towards Yemen more closely in line with that of the West. The fact that Kingdom continues to make direct payments to Yemen outside of this framework suggests, however, that this engagement has yet to effectively navigate the difference of opinion over how to deal with Yemen within the House of Saud.

International Legitimacy is a Bargaining Chip

Stephen Cohen (2004, cited in Rashid, 2008: 291) described the Pakistani leadership's method of negotiating "with its allies and friends by pointing a gun to its own head." The Yemeni regime is also acutely aware of the chaos that the international community believes could result from its demise and wields this threat deftly against calls for political and/or economic reforms. As long as the Yemeni threat to international security remains the prism through which all other policy is seen, the Yemeni regime will have the upper hand in deferring genuine reforms.

This paper demonstrated that President Saleh has something more important than money to lose from the withdrawal of Western support. He is separated from his inner circle not only by his constitutional legitimacy but also by his international legitimacy. Without international legitimacy, President Saleh is less valuable to his inner circle, and may become more vulnerable to a coup if members of the inner circle fear that their wealth and status are consequently under threat. The president's legitimacy as a sovereign leader also protects him from international criminal charges, or military invasion, and offers him access to

external funding. The loss of that legitimacy is a distinct threat to him – a fact that grants Western actors more leverage that they appear to believe that they hold, and offers the possibility of changing strategies from one of offering carrots, to one that has the scope for carefully targeting (non-military) sticks.

Invest in Commercial Incentives

Yemen is a particularly risky place to invest capital because of its poor rule of law, and entrenched rent-seeking, and investors have largely declined to put their money into the country for these reasons. The lack of private investment furthers the centralisation of wealth and power in the regime's hands. With the level of risk facing investors in mind, donors might attempt to shift the balance of economic power towards society by offering venture capital insurance programs for local private investors who are willing to risk investing in Yemeni projects. Stimulating economic development in this manner is a long-term process but should be part of a package aimed to develop the greater interdependence of Yemen's merchants with Yemen's political leadership.

If Yemen is to experience developmental change, the power elite will have to come to view a productive national economy as an asset to their leadership rather than a threat to it. As discussed above, the incentives to engage with the country's traditional merchants (as opposed to the commercial elite that have been created by favour of the regime) are largely absent from the options that the major donors currently have on the table, and are instead replaced with the offer of economic assistance. This further enables the regime's disengagement from the country's merchant class.

Examine Options in Ta'izz

Neopatrimonialism is not inherently anti-developmental; the level of political and economic centralisation found in Yemen could facilitate greater economic growth if the regime chose to favour that outcome. The regime could reduce the political hurdles that currently impede investors – such as the insistence that they partner with members of the inner circle, or the unwritten requirement that they evade taxation in order to be competitive – in exchange for their ability to deliver economic growth. If donors wish to identify the individuals, groups or organisations that are most likely to represent the commercial, investment or trading interests that would benefit from a developmentally inclined system of governance, Ta'izz should be a focus.

Engage the Power Elite

Again, if the regime is to prioritise the health of the national economy, the president and his inner circle need to see the long-term survival incentives for doing so. Their actions to date do not suggest that they see such incentives, and the survey results reveal a fairly consistent level of opacity and confusion as to why this is so. The paper makes several arguments about why this group favours a dysfunctional status quo but it is necessary to have this conversation with the inner circle, not simply the members of the formal state that are charged as intermediaries but have little real power. At present, Western donors have almost no access to the inner circle, and therefore, almost no communication with the shadow state that makes decisions. Opening these lines of communication needs to be a priority, with a view to discussing the longer-term incentives for this group to work towards a post-rentier economy and foster economic growth.

The removal of the Tunisian and Egyptian presidents provides an obvious narrative for donors to use in approaching the need for the power elite to think in terms of its own longer-term self preservation. The failure to restructure themselves to create a more cooperative relationship with society may ultimately

remove them from power. It is, therefore, in the enlightened self interests of the power elite to lead this change rather than be consumed by it.

Lower Expectations of Quick Fixes and Stability

In most conversations about appropriate strategies for Western donors in Yemen, the term “quick runs on the board” (or similar variations thereof) is invoked, for which there is usually a security imperative: the need to quickly stabilise an area that is vulnerable to violence or militancy.¹³¹ While this is understandable in the prevailing climate, the focus on quick impact projects reinforces two misconceptions. First, that political instability is a function of *government* ineffectiveness and can therefore be turned around by making the government more effective irrespective of the shadow state; and, second, that political instability can (and should) be prevented by these projects. This focus masks the fact that what Yemen needs more than stability is change.

The West has been stuck between needing to be seen to support the status quo in Yemen and not frighten its allies in Saudi Arabia or the region, and wanting the Yemeni regime to change for the better. So the call has been made for ‘stabilisation,’ which translates into incremental, careful, and negotiated change with as much predictability, consensus and stability as possible. The question, however, is how can effective donors be in encouraging positive change if their programmes are effectively filtered through a president who does not have a credible track record of effective positive change?

As this paper has argued, stability in the Yemeni context has meant the maintenance of a political settlement that exacerbates economic malaise but which has been durable, partly because the collective action problems between elites provide such formidable barriers to change. But this apparent stability has been part of the state’s dysfunction. The real instability within Yemen is that which affects its vulnerable citizens, approximately one third of whom now survive on a diet that does not provide the minimum daily caloric requirement of 2,100 kcal (World Food Programme, 2010: 32). What has worked for the Yemeni regime has not worked for its citizens, and the international community needs to decide what it hopes to stabilise through its interventions: the regime or its citizens. If it chooses the former then the discontent within the latter should be expected to continue to rise, the implications of which could be serious.

Furthermore, if the regime’s inner circle is less confident about the willingness of external actors to financially and diplomatically underwrite their survival they are likely to perceive a greater incentive to bargain with their citizens for that support. As evidenced by the fluid, competitive, often violent and non-linear processes of state-building that forged OECD nations, the normative priority for stability throughout a political and economic transition is as unrealistic as it is misguided. Change is already underway in Yemen, something that its elites are acutely aware of as they vie for position and prestige in the debate over who should rule Yemen and under what conditions. Donors cannot, and should not try to, control this domestic process but they have an opportunity to attempt to cushion the impact of change for Yemen’s most vulnerable citizens. They also have the opportunity to work towards longer-term environmental changes from the bottom up by facilitating greater co-dependence between Yemen’s political and economic elite, and the higher education of its citizens so that they become better empowered to question and to lead. The first step is to overcome the entrenched notion that these changes will be led by Yemen’s formal state organisations.

¹³¹ The same is true for technocrats within the Yemeni government, who often refer to the Ten Point Plan as an effort to ‘stop the bleeding,’ and prioritise the parts of the package that would have a fast visible impact.

Appendix - Questionnaire

Section 1. General Questions (for JMP and GPC participants).

THREAT

1) Do you believe that there are serious problems facing Yemen?
(yes/no)

2a) What are the problem/s?

- Declining national income
- Decline of oil resources
- Decline of water resources
- Increasing poverty
- Corruption
- Leadership
- Ineffective/poor government
- Civil unrest
- Uneducated population

Other [note if the participant is specific about this, and whether this includes external intervention]

2b) How would you rate the overall level of threat posed to Yemen's future by the problems you mention?

On a scale of 1 to 10:

(1 = minor/temporary; 5 = serious but temporary; 10 = insurmountable and permanent).

3) How much do you think these problems will affect the daily lives of ordinary Yemenis?
(not at all/somewhat/considerably/catastrophically)

DEFINING THE PROBLEM

4) What do you think causes the most important cause of the problem you have mentioned above is?

- 1.
- 2.
- 3.
- 4.
- 5.

CORRUPTION

(If corruption is *not* listed as a key problem above):

5) Do you consider corruption to be a serious problem in Yemen?

(If yes go to Question 6, if no go to Question 7)

6a) How widespread is corruption in Yemen?

(entirely/some people at the top/some people at the bottom).

6b) Can the problem of corruption be solved (or at least greatly improved) in the short-term or is it too entrenched?

(yes, it could be still be solved/no, it is too entrenched)

6c) (if it can be solved) Why do you think that nobody has been successful in preventing corruption?

(open ended)

6d) What causes corruption in Yemen: greedy people or a system that allows them to be corrupt?

(greedy people/the system)

6e) If "both," which is most important?

SOLUTIONS

7) Are there solutions to the problem/s or is a serious crisis inevitable?

(a way out is still possible/a crisis is inevitable)

8) What do you think the solution/s to the problem are?

(open ended - note if they say that they do not know)

9) Do you think these solutions you mention will be implemented?

(yes/no/don't know)

[Note whether the answer adheres to the participant's party's line]

10) Do you think that other countries will step in and help to solve Yemen's problems?

a) If yes: which countries do you think will do this?

b) How can they help?

c) Do you think they can improve the problems that you mentioned in Question 2a?

d) If yes: how would this change the score you gave the problem in Question 2b?

e) If yes: do you think this will make people's daily lives better than what you expected in Question 3?

CAPACITY

11a) Which of the problems that you mentioned in Question 2 does your party/coalition have the ability to help solve?

11b) How can your party/coalition help solve those problems?

11c) Which of the problems that you mentioned in Question 2 does your party/coalition not have the ability to help solve?

11d) Why can't your party/coalition help solve those problems?

12) What is the most effective way of getting personal or job related matters done in Yemen?

a) Is this way open to anyone?

b) Who can get things done this way?

c) Can (or how can) an outsider get things done?

AGENCY

I3) What is your responsibility (as a leader) in solving the problem/s facing Yemen?
(open ended)

I4) How could you be more effective?
(open ended)

I5) Is it still your intention to try to work toward a solution or has the problem/s become too serious for you to have an impact?
(still my intention/the problems are too serious)

I6) (If the participant answered “yes” in Question I0) Is it more likely that the countries you mentioned in Question I0 will be more effective than you can be in solving Yemen’s problems?

Section 2. Party Specific Questions

JMP

JMP-1) Do you think that the “dialogue” between the GPC and the JMP has helped or can help?

JMP-2) Why/Why not?

JMP-3a) In Question I2, you were asked what the most effective way of getting things done in Yemeni politics is: is this way open to the JMP?
(yes/no/it is open to some within the JMP)

JMP-3b) If “no” in (JMP-3a): If this way is closed to the JMP, is there anything else the JMP can do? If yes, what?

If “yes/open to some” in (JMP-3a): Who in the JMP is this way open to?
(give either individuals or groups/parties within the JMP)

JMP-3c) If “yes/open to some” in (JMP-3a): Has this made the JMP stronger against the GPC than if these people were not members of the JMP coalition?

JMP-3d) If “yes” to (JMP-3c): Which statement is more accurate:

- These people have made the JMP stronger as a coalition
- OR
- These people have increased their individual power through the coalition
- OR
- Both statements are equally true
- OR
- Neither statement is true

If “no” to (JMP-3c): Why hasn’t this made the JMP coalition stronger against the GPC?

JMP-4) What do you think the likelihood of the JMP taking power from GPC is? (impossible/unlikely/likely/certain)

GPC/People in the government but not in GPC leadership positions.

GPC-1) Do you think that the “dialogue” with the JMP has helped or can help?

GPC-2) Why/Why not?

GPC-3a) In Question 12, you were asked what the most effective way of getting things done in Yemeni politics is: is this way open to the JMP?
(yes/no/it is open to some within the JMP)

GPC-3b) If “no” in (GPC-3a): Does this mean that the JMP is not worth having a dialogue with?

If “yes/open to some” in (GPC-3a): Who in the JMP is this way open to?
(give either individuals or groups/parties within the JMP)

GPC-3c) Are there other individuals/groups that the GPC should be having a dialogue with?

GPC-4) What do you think the likelihood of the JMP taking power from GPC is? (impossible/unlikely/likely/certain)

Further Explanation of the Questionnaire

Once a participant's views about the level of the threat facing the country were determined, he was then asked to indicate the likely longevity of the problems they had identified and what level of impact they are likely to have for ordinary Yemenis. It was (correctly) anticipated that "corruption" would be cited as a key cause of the crisis by many participants and a subsection therefore asked participants to elaborate on the causes of corruption, as a means of exploring their views in greater depth on an issue that they believed to be important. Participants were asked the degree to which they believed that it was necessary for an individual to participate in corruption due to the country's political and economic structures or whether it was a matter of personal choice. This question aimed to test participants' views of the structural constraints placed on individuals regarding a matter that they had indicated was of concern to them.

The next section aimed to determine a participant's beliefs about whether it is still possible to solve the problems facing Yemen. This section intended to establish whether the participants believed that any person, group of people, or event could conceivably alter the trajectory of the problems or whether a serious crisis was inevitable. Participants were then asked about the obstacles and opportunities that their party faced in trying to implement the necessary changes, before being asked about their individual capacity to respond effectively to the crisis. Participants who had answered earlier that other countries might step in to help solve Yemen's problems were asked specifically if they believe that those countries could offer a more effective response than Yemeni actors could (individually or collectively).

The final section of the questionnaire was designed to further probe the opportunities and obstacles faced by each party by asking more specific questions about the "dialogue" process that has been ongoing between the GPC and the JMP since 2006. The main aim was to determine whether participants believed that the main obstacles to the process have been and where they believed the most important decision-making power exists within their own party.

Sample Selection

The criteria for selecting participants were necessarily somewhat subjective, and related to those whom the research team was able to access. The sample of 64 respondents was divided into two approximately equal groups of 35 from the GPC and 29 from the JMP. The GPC Permanent Committee consists of 300 members and includes all 229 members of parliament (which includes the 33 cabinet members), the 24 members of the General Committee, some members of the Shura Council, and some heads of government sectors and departments.

The JMP sample was divided into 12 Islah, 6 YSP, 3 Nasserist, 5 Ba'ath, 3 Hizb al-Haqq members. These participants were members of parliament and members of the leadership of these parties. In some instances the selection was made by the relevant party itself. Islah, Ba'ath, al-Haqq, and Nasserites assigned their representatives. The YSP assigned some of their representatives and others were encountered in meetings. The GPC was less interested in cooperating, so participants were selected on the basis of their participation in developing policy (those who had been vocal in proposing policies in the past or who have access to the power centres that formulate policy). These elites are some of the best-educated and the best positioned to help implement the technical solutions that the President Ali Abdullah Saleh continues to call for in his rhetoric.

References

- Abu Dhabi Television (2010) 'Interview with President Saleh,' 10 January. Transcript available: http://www.presidentsaleh.gov.ye/shownews.php?lng=ar&_nsid=7991&_newsctgry=4&_newsyr=2010 (in Arabic).
- Al-Ahmar, Hameed (2009) *al-Jazeera*, 5 August. Arabic transcript available at: <http://www.aljazeera.net/NR/exeres/B84C7C27-D3E8-40B9-8360-3D32893EF20A.htm>
- Albrecht, Holger (2002) 'The Political Economy of Reform in Yemen: Privatisation, Investment, and the Yemeni Business Climate,' *Asien Afrika Lateinamerika*, Vol. 30, pp 131-50.
- Al-Dhahab, Adel (2010) 'Yemen's Missing Pieces for Reforms,' *Yemen Post*, 14 December. <http://yemenpost.net/Detail/23456789.aspx?ID=3&SubID=2861&MainCat=6>
- Alley, April Longely (2010) 'The Rules of the Game: Unpacking Patronage Politics in Yemen,' *Middle East Journal*, 64 (3).
- Al-Hilali, Aqeel (2009) 'Construction begins on Yemen-Djibouti Bridge,' *Yemen Times*, 12 August. <http://www.yementimes.com/DefaultDET.aspx?i=1177&p=community&a=5>
- Al-Motamar (2010) 'Yemen requests \$US44.5 billion from donors up to year 2015', 27 February. <http://www.almotamar.net/en/7312.htm>
- Al-Qa'ida in the Arabian Peninsula (2009a) *Sada al-Malahim*, Volume 8, March (in Arabic).
- Al-Qa'ida in the Arabian Peninsula (2009b) *Sada al-Malahim*, Volume 10, August (in Arabic).
- Arrabeyee, Nasser (2006a) 'Better This Devil', *al-Ahram*, 14 September.
- Arrabeyee, Nasser (2006b) 'Saleh Insists on Nuclear Energy for Yemen,' *Yemen Observer*, 2 October.
- Assaad, Ragui, et al (2009) *Youth Exclusion in Yemen: Tackling the Twin Deficits of Human Development and Natural Resources*, Dubai School of Government, November.
- Baaklini, Abdo; Denoëux, Guilain; and Springborg, Robert (1999) *Legislative Politics in the Arab World: The Resurgence of Democratic Institutions*. Boulder, CO, and London: Lynne Rienner Publishers.
- Barfi, Barak (2010) 'Yemen on the Brink? The Resurgence of al Qaeda in Yemen,' *New America Foundation, Counterterrorism Strategy Initiative Policy Paper*, January.
- Bates, Robert H. (2001) *Violence and Prosperity: The Political Economy of Development*. New York: W.W. Norton.
- Bates, Robert H. (2008) 'State Failure,' *Annual Review of Political Science*, 11, pp 1-12.
- Bates, Robert H. (2009) *When Things Fell Apart: State Failure in Late-Century Africa*. Cambridge: Cambridge University Press.
- Beatty, Sharon; al-Madhaji, Ahmed No'man; and Detalle, Renaud (1996) 'Yemeni NGOs and Quasi

NGOs, Analysis and Directory. Part I: Analysis,' Sana'a, Republic of Yemen: no publisher listed, May.

Beblawi, Hazem, and Luciani, Giacomo, (eds) (1997) *The Rentier State*. Volume II. London: Croom Helm.

Bennett, Jon; Duncan, Debi; Rothmann, Ines; Zeitlyn, Sushila; and Hill, Ginny (2010) 'DFID Country Programme Evaluation, Yemen,' *British Department of International Development Evaluation Report EV706*, February.

<http://www.dfid.gov.uk/Documents/publications/evaluation/cnty-prog-eval-ye.pdf>

Black, Ian (2010) 'Yemen pledges to reform and wins support for fight against Al-Qaida,' *The Guardian*, 27 January.

Boucek, Christopher (2009) 'Yemen: Avoiding a Downward Spiral,' *Carnegie Endowment for International Peace*, September.

http://carnegieendowment.org/files/yemen_downward_spiral.pdf

Boucek, Christopher (2010a) 'War in Saada: From Local Insurrection to National Challenge,' *Carnegie Endowment for International Peace*, May. http://www.carnegieendowment.org/files/war_in_saada.pdf

Boucek, Christopher (2010b) 'Yemen Needs More Than Our Military Support,' *Financial Times*, 31 October.

<http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=41846>

Brennan, John (2010) "U.S. Policy Toward Yemen," Presentation at the *Carnegie Endowment for International Peace*, 17 December. Event transcript available at: <http://www.carnegieendowment.org/files/Brennan-transcript.pdf.pdf>

Browsers, Michaelle (2007) 'Origins and Architects of Yemen's Joint Meeting Parties,' *International Journal of Middle East Studies*, 39. pp 565-586.

Bratton, Michael and van de Walle, Nicolas (1997) *Democratic Experiments in Africa: Regime Transitions in Comparative Perspective*. Cambridge: Cambridge University Press.

Brautigam, Deborah with Diolle, Tania (2009) 'Coalitions, Capitalists and Credibility: Overcoming the Crisis of Confidence at Independence in Mauritius,' *LECRP*, April. <http://www.dlprog.org>

Brynen, Rex; Korany, Bahgat; and Noble, Paul, eds (1995) *Political Liberalization and Democratization in the Arab World: Theoretical Perspectives*, Vol. I. Boulder, CO: Lynne Rienner Publishers.

Brynen, Rex, Korany, Bahgat, and Noble, Paul, eds (1998) *Political Liberalization and Democratization in the Arab World: Comparative Experiences*, vol. 2. Boulder, CO: Lynne Rienner Publishers.

Burrowes, Robert D. (2005) 'The Famous Forty and Their Companions: North Yemen's First-Generation Modernists and Educational Emigrants,' *Middle East Journal*, 59 (1) pp. 81-97.

Cammack, Diana (2007). 'The Logic of African Neopatrimonialism: What Role for Donors?' *Development Policy Review*, 25 (5) pp. 599-614.

Cammack, Diana, T. O'Neil, E. Kanyongolo, and F. Goloba-Mutebi (2007) "'Big Men,'" Governance and

Development in Neo-Patrimonial States,' ODI Paper, September. London: Overseas Development Institute.

Carapico, Sheila (1998) *Civil Society in Yemen: The Political Economy of Activism in Modern Arabia*. Cambridge: Cambridge University Press.

Carapico, Sheila (2004) 'Arabia Incognita: An Invitation to Arabian Peninsula Studies,' in Madawi al-Rasheed and Robert Vitalis (eds) *Counter-Narratives: History, Contemporary Society, and Politics in Saudi Arabia and Yemen*. New York: Palgrave Macmillan.

Chabal, Patrick and Jean-Pascal Daloz, (1999) *Africa Works: Disorder as Political Instrument*. The International African Institute in association with Oxford: James Currey, and Bloomingdale & Indianapolis: Indiana University Press.

Chaudhry, Kiren Aziz (1989) 'The Price of Wealth: Business and State in Labor Remittance and Oil Economies,' *International Organization*, 43 (1) pp 133–34.

Clark, Victoria (2010) *Yemen: Dancing on the Heads of Snakes*. New Haven and London: Yale University Press.

Cohen, Stephen (2004) *The Idea of Pakistan*. Washington D.C.: Brookings Institution Press.

Collier, Paul and Hoeffler, Anke (2005) 'Resource Rents, Governance, and Conflict,' *Journal of Conflict Resolution*, 49 (4) pp 625–33.

Day, Stephen (2010) 'The Political Challenge of Yemen's Southern Movement,' *Carnegie Endowment for International Peace*, Middle March, http://carnegieendowment.org/files/yemen_south_movement.pdf

DFID, (2005) *Why We Need to Work More Effectively in Fragile States*. London, United Kingdom: Department for International Development.

Doner, Richard F.; Ritchie, Bryan K.; and Slater, Dan (2005) 'Systemic Vulnerability and the Origins of Developmental States: Northeast and Southeast Asia in Comparative Perspective,' *International Organization*, 59, Spring, pp 327–361.

Dresch, Paul (1995) 'The Tribal Factor in the Yemeni Crisis' in Jamal al-Suwaidi (ed.), *The Yemeni War of 1994: Causes and Consequences*. Emirates Centre for Strategic Studies and Research: Saqi Books.

Dresch, Paul (2000) *A Modern History of Yemen*. Cambridge: Cambridge University Press.

Dubai Sports Channel (2009) 'Interview with President Saleh,' 18 December. Transcript available: <http://www.president-saleh.gov.ye/shownews.php?lng=ar&nsid=7962&newsctgry=4&newsyr=2009> (in Arabic).

Economist Intelligence Unit Newswire (2007) *Yemen: Country Outlook*, 24 January.

Economist Intelligence Unit (2010a) *Country Report: Yemen*, January.

Economist Intelligence Unit (2010b), *Yemen Country Outlook*, December.

Exum, Andrew M. and Fontaine, Richard (2009) 'On the Knife's Edge: Yemen's Instability and the Threat to American Interests', Policy Brief, *Center for a New American Security*, November.

Food and Agriculture Organization of the United Nations (2011) 'FAO Food Price Index', 3 February. <http://www.fao.org/worldfoodsituation/FoodPricesIndex/en/>

Foreign Policy and Fund for Peace (2010), *Failed States Index*, 2010. http://www.foreignpolicy.com/articles/2010/06/21/the_failed_states_index_2010

Frantz, Erica and Ezrow, Natasha (2011) *The Politics of Dictatorship: Institutions and Outcomes in Authoritarian Regimes*. Boulder, Colorado: Lynne Rienner.

Gause, Gregory F. III (1994) *Oil Monarchies: Domestic and Security Challenges in the Arab Gulf States*. New York: Council on Foreign Relations Press.

Giddens, Anthony (1976) *New Rules of Sociological Method*. London: Hutchinson.

Gulf Research Center (2007) 'Trans-Arabia Oil Pipelines,' *Security and Terrorism Research Bulletin*, Issue No. 6, August.

Hardin, Garrett (1968) 'The Tragedy of the Commons,' *Science*, 162 (3859) pp. 1243-1248.

Harris, Alistair (2010) 'Instrumentalizing Grievances: Al-Qaeda in the Arabian Peninsula' in Christopher Boucek and Marina Ottaway (eds) *Yemen on the Brink*. Washington, D.C.: Carnegie Endowment for International Peace.

Heritage Foundation (2011) 'Index of Economic Freedom'. <http://www.heritage.org/Index/pdf/2011/countries/yemen.pdf>

Hill, Ginny (2008) 'Yemen: Fear of Failure,' *Chatham House Briefing Paper*, November. http://www.chathamhouse.org.uk/files/12576_bp1108yemen.pdf

Horton, Michael (2010) 'Yemen's Dangerous Addiction to Qat,' *Jamestown Terrorism Monitor*, 8 (15). http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=36271

International Crisis Group (2009) 'Yemen: Defusing the Saada Time Bomb,' *Middle East Report*, No. 86, 27 May. <http://www.crisisgroup.org/~media/Files/Middle%20East%20North%20Africa/Iran%20Gulf/Yemen/086%20Yemen%20Defusing%20the%20Saada%20Time%20Bomb.ashx>

IRIN, (2010) "Yemen: Protests threaten stability," 27 April, <http://www.irinnews.org/Report.aspx?ReportId=88941>

Johnsen, Gregory D. (2010a) 'Welcome to Qaedastan', *Foreign Policy*, January/February.

Johnsen, Gregory (2010b) 'Al-Qaida In The Arabian Peninsula In Yemen: NPR,' Radio Interview with Neal Conan, *Talk of the Nation*, 4 November. Transcript available: <http://www.npr.org/templates/story/story.php?storyId=131071948>

Joint Meeting Parties (2010) *Vision for National Salvation*, March.

Karl, Terry Lynn (1997) *The Paradox of Plenty: Oil Booms and Petro-States*. Berkeley, Los Angeles and London: California University Press.

Katulis, Brian (2004) *Yemen: Freedom House Executive Summary*.

Kelsall, Tim and Booth, David (2010) 'Developmental Patrimonialism? Questioning the Orthodoxy on Political Governance and Economic Progress in Africa,' *Africa Power and Politics Programme, Overseas Development Institute*, Working Paper No. 9, July.

Kostiner, Joseph (1996) *Yemen: The Tortuous Quest for Unity, 1990–94*. London: Royal Institute of International Affairs.

Laver, Michael (1997) *Private Desires, Political Action: An Invitation to the Politics of Rational Choice*. London: Sage Books.

Laws, Edward (2010) 'The 'Revolutionary Settlement' in 17th Century England: Deploying a Political Settlements Analysis,' *Developmental Leadership Program*, Background Paper 9, November. <http://www.dlprog.org/ftp/>

Leswaas, Hussein (2010) 'The Role of the President in the Factional Conflict in Saudi Arabia,' *al-Masdar*, 4 November. http://www.almasdaronline.com/index.php?page=news&article-section=10&news_id=12872 (in Arabic).

Leftwich, Adrian (1995) 'Bringing Politics Back In: Towards a Model of a Developmental State', *The Journal of Development Studies*, Vol. 31, No.3, February, p. 400-427.

Leftwich, Adrian (2010) 'Beyond Institutions: Rethinking the Role of Leaders, Elites and Coalitions in the Institutional Formation of Developmental States and Strategies,' *Forum for Development Studies*, 37 (1) pp 93-111.

Lindemann, Stefan (2008) 'Do Inclusive Elite Bargains Matter: A research framework for understanding the causes of civil war in Sub-Saharan Africa,' *Crisis States Research Centre*, Discussion Paper 15, February.

Longley, April and al-Iryani, Abdul-Ghani (2008) 'Fighting Brushfires with Batons: An Analysis of the Political Crisis in South Yemen,' *The Middle East Institute: Policy Brief*, No. 7, February.

MacDonald, David (2010) 'The Path to Reform,' *Yemen Today*, 7 March. <http://www.yemen-today.com/go/investigations/3864.htm>

MacDonald, Neil and Khalil, Rana (2009) 'Report of the assessment towards a 'whole of EU' approach to state building in Yemen: addressing fragility to prevent state failure,' July.

Mareb Press (2010a) 'Central Bank Governor Announces Support for the Riyal' (in Arabic), 26 May. http://www.marebpress.net/news_details.php?lng=arabic&sid=25147

Mareb Press, (2010b) 'President Saleh Establishes Religious Reference Committee for All Issues and Political Forces, 7 September (in Arabic). http://www.marebpress.net/news_details.php?lng=arabic&sid=27366

- Mareb Press (2010c) 'To Turn it Into a Personal Project [i.e. for personal benefit]...' (in Arabic), 3 June.
- Migdal, Joel (1988) *Strong Societies and Weak States: State-Society Relations and State Capabilities in the Third World*. Princeton, NJ: Princeton University Press.
- Miller, Derek B. (2003) 'Demand, Stockpiles and Social Controls: Small Arms in Yemen, *Small Arms Survey*, Occasional Paper No. 9, May.
- Mohammed, Omar Osman (1995) 'Socio-Cultural and Managerial Behaviour of Yemeni Entrepreneurs,' *Orient*, 36 (2) pp 287-304.
- MOPIC (Ministry of Planning and International Cooperation), *The National Reform Agenda: A Progress Report*, October.
- Naje, Omar (2010) 'Yemen's capital 'will run out of water by 2025,' *Science and Development Network*, 22 October, <http://www.scidev.net/en/news/yemen-s-capital-will-run-out-of-water-by-2025-.html>
- No'man, Yassin Sa'id (2010a) *al-Jazeera*, 17 October. Transcript available (in Arabic) at: http://www.almasdaronline.com/index.php?page=news&article-section=4&news_id=13257
- No'man, Yassin Sa'id (2010b) 'The Complete Details of the Dialogue with the Ruling Party' (in Arabic), *Mareb Press*, 4 November. <http://www.marebpress.net/articles.php?lng=arabic&aid=8247>
- North, Douglass C.; Wallis, John Joseph; and Weingast, Barry R. (2009) *Violence and Social Orders: A Conceptual Framework for Interpreting Recorded Human History*. Cambridge: Cambridge University Press.
- Norton, Augustus Richard (ed.) (1995-6) *Civil Society in the Middle East*, 2 vols. Leiden: E. J. Brill.
- Parks, Thomas, and Cole, William (2010) 'Political Settlements: Implications for International Development Policy and Practice', Occasional Paper No. 02, *The Asia Foundation*. <http://www.asiafoundation.org/resources/pdfs/PoliticalSettlementsFINAL.pdf>
- Pitcher, Anne; Moran, Mary H.; and Johnston, Michael (2009) 'Rethinking Patrimonialism and Neopatrimonialism in Africa,' *African Studies Review*, 52 (1).
- Phillips, Sarah (2007) 'Evaluating Political Reform in Yemen,' *Carnegie Papers*, Democracy and Rule of Law Project, no. 80, February.
- Phillips, Sarah (2008) *Yemen's Democracy Experiment in Regional Perspective*. New York: Palgrave Macmillan.
- Phillips, Sarah (2010) 'What Comes Next in Yemen: Al-Qaeda, the Tribes and State-Building', *Carnegie Endowment for International Peace*, March.
- Phillips, Sarah (2011) 'Al-Qaeda and the Struggle for Yemen,' *Survival*, 53 (1), February-March, pp. 95-120.
- PricewaterhouseCoopers Middle East (2009) 'Tax Update,' December, http://www.pwc.com/en_MI/mi/assets/document/ME-Tax-Update-Jan.pdf
- Rashid, Ahmed (2008) *Descent into Chaos: The United States and the Failure of Nation Building in Pakistan*,

Afghanistan, and Central Asia. London: Penguin Books.

Reno, William (2000) 'Clandestine Economies, Violence and States in Africa,' *Journal of International Affairs*, 53 (2) pp 433-59.

Richter, Paul (2010) 'Hillary Clinton urges Yemen to 'take ownership' of its problems,' *Los Angeles Times*, 27 January. <http://articles.latimes.com/2010/jan/27/world/la-fg-yemen28-2010jan28>

Risk Watch (2010) 'Yemeni Parliament Approves 2010 Budget,' 4 January. http://riskandforecast.com/post/risk-watch/yemeni-parliament-approves-2010-budget_373.html

Robinson, Glenn E.; Wilcox, Oliver; Carpenter, Stephen; al-Iryani, Abdul-Ghani (2006) *Yemen Corruption Assessment* (ARD Report prepared for the United States Agency for International Development – USAID) September. <http://yemen.usembassy.gov/root/pdfs/reports/yemen-corruption-assessment.pdf>

Ross, Michael (2001) 'Does Oil Hinder Democracy?,' *World Politics*, 53, April, pp 297–322.

Rotberg, Robert, ed. (2004) *When States Fail: Causes and Consequences*. Princeton and Oxford: Princeton University Press.

Saba News (2010a) 'The President Chairs Cabinet Meeting,' 15 June.

Saba News (2010b) 'Yemen has become oil importer country, President says,' 15 June.

Salmoni, Barak A.; Loidolt, Bryce; and Wells, Madeleine (2010) 'Regime and Periphery in Northern Yemen: The Huthi Phenomenon,' *RAND Corporation*, http://www.rand.org/pubs/monographs/2010/RAND_MG962.sum.pdf

Scott, J. (2008) 'Modes of Power and the Re-conceptualization of Elites', in M. Savage and K. Williams (eds), *Remembering Elites*. Oxford: Blackwell.

Sebudubudu, David (2009) 'Leaders, Elites and Coalitions in the Development of Botswana,' *LECRP Research Paper 2*, April. <http://www.dlprog.org/ftp/>

Sharabi, Rashad (2007) 'Study Centre Led By Ali Muhsin Combines al-Iryani, al-Ra'i, al-Maqaleh and Others,' *Mareb Press* (in Arabic), 8 September. http://www.marebpress.net/news_details.php?lng=arabic&sid=7520

Smith, Benjamin (2004) 'Oil Wealth and Regime Survival in the Developing World, 1960–1999,' *American Journal of Political Science*, 48 (2) pp 232-246.

Tilly, Charles (1985) 'War Making and State Making as Organized Crime,' in P. Evans, D. Rueschemeyer and T. Skocpol (eds) *Bringing the State Back In*. Cambridge: Cambridge University Press.

United States Embassy, Sana'a (2009a) 'Yemen's Counter Terrorism Unit Stretched Thin by War Against Houthis,' Diplomatic Cable, 17 December. Available through Wikileaks, Reference ID 09SANAA2230, <http://wikileaks.ca/cable/2009/12/09SANAA2230.html>

United States Embassy, Sana'a (2009b) 'Yemeni Tribal Leader: For Saleh, Saudi Involvement in Sa'ada Comes Not a Moment too Soon,' Diplomatic Cable, 28 December. Available through Wikileaks,

Reference ID 09SANAA2279, <http://wikileaks.ch/cable/2009/12/09SANAA2279.html>

Unsworth, Sue (2009) 'What's Politics Got To Do With It?: Why Donors Find it So Hard to Come to Terms with Politics and Why This Matters,' *Journal of International Development*, 21, pp 883–894.

USAID (2010a) '2010-2012 Yemen Country Strategy: Stabilization Through Development,' http://pdf.usaid.gov/pdf_docs/PDACP572.pdf

USAID (2010b) 'Community Livelihoods Project: Project Guidelines,' RFA 279-10-006.

Ward, Christopher (2001) 'Yemen's Water Crisis,' *British Yemeni Society*, July, <http://www.al-bab.com/bys/articles/ward01.htm>

Waterbury, John (1997) 'Fortuitous By-Products,' *Comparative Politics*, 29 (3) pp 383–402.

Weber, Max (1978) 'The Types of Legitimate Domination' in *Economy and Society*, Volume I. Berkeley and Los Angeles: University of California Press.

Whaites, Alan (2008) 'States in Development: Understanding State-building' *DFID Working Paper*.

Whitaker, Brian (2009) *The Birth of Modern Yemen*. E-book published at www.al-bab.com/yemen/birthofmodernyemen.

World Bank, *Yemen Economic Quarterly Review*, Summer 2010.

World Food Programme (2010) *Comprehensive Food Security Survey: Republic of Yemen*, March.

Worth, Robert (2010) 'Is Yemen the Next Afghanistan?' *New York Times*, 6 July, <http://www.nytimes.com/2010/07/11/magazine/11Yemen-t.html>

Yacoub, Jalal (2010) 'Reform Priorities for Yemen and the 10- Point Agenda' MENAP Roundtable Summary, *Chatham House*, February. http://www.chathamhouse.org.uk/files/16128_180210summary.pdf

Yemen Observer (2010) 'Yemen's Oil Revenues Increase,' 14 August. <http://www.yobserver.com/business-and-economy/10019425.html>

Yemen Polling Center (2008) 'Building Public Opinion Polling Units in Yemeni Political Parties.'

DLP Publications

Research Papers

1. Jo-Ansie van Wyk (2009) "Cadres, Capitalists and Coalitions: The ANC, Business and Development in South Africa".
2. David Sebudubudu with Patrick Molutsi (2009) "Leaders, Elites and Coalitions in the Development of Botswana".
3. Eduard Grebe with Nicoli Nattrass (2009) "Leaders, Networks and Coalitions in the AIDS Response: A Comparison of Uganda and South Africa".
4. Deborah Brautigam with Tania Diolle (2009) "Coalitions, Capitalists and Credibility: Overcoming the Crisis of Confidence at Independence in Mauritius".
5. Jo Beall with Mduduzi Ngonyama (2009) "Indigenous Institutions, Traditional Leaders and Developmental Coalitions: The Case of Greater Durban, South Africa".
6. Adrian Leftwich (2009) "Bringing Agency Back In: Politics and Human Agency in Building Institutions and States".
7. Junji Banno & Kenichi Ohno (2010) "The Flexible Structure of politics in Meiji Japan".
8. Marine Destrez & Nick Harrison (2011) "Leadership Training and Network Formation: The evolution of the LEAD process".
9. Michael Bratton & Eldred Musunungure (2011) "The Anatomy of Political Predation: Leaders, Elites and Coalitions in Zimbabwe, 1980-2010".
10. Laura Brannelly, Laura Lewis & Susy Ndaruhutse (2011) "Higher Education and the Formation of Developmental Elites: A literature review and preliminary data analysis."
11. Heather Lyne deVer & Fraser Kennedy (2011) "An analysis of Leadership Development Programmes working in the context of development."
12. Mariz Tadros (2011) "Working Politically Behind Red Lines: Structure and agency in a comparative study of women's coalitions in Egypt and Jordan".
13. Rebecca Hodes, Jennifer Thorpe & Orly Stern (2011) "Structure and Agency in the Politics of a Women's Rights Coalition in South Africa: The Making of the South African Sexual Offences Act, 2007".

Background Papers

1. Adrian Leftwich & Steve Hogg (2007) "Leaders, Elites and Coalitions: The case for leadership and the primacy of politics in building effective states, institutions and governance for sustainable growth and social development".
2. Adrian Leftwich & Steve Hogg (2008) "The Politics of Institutional Indigenization: leaders, elites and coalitions in building appropriate and legitimate institutions for sustainable growth and social development".
3. Heather Lyne de Ver (2008) "Leadership Politics and Development: A Literature Survey".
4. Heather Lyne de Ver (2009) "Conceptions of Leadership".
5. Adrian Leftwich & Steve Hogg (2010) "The Leadership Program: Overview & Objectives".
6. Adrian Leftwich (2010) "An Overview of the Research in Progress for the Leadership Program: Developmental Leaders, Elites and Coalitions".
7. Isabelle van Notten (2010) "Integrity, Leadership, Women's Coalitions and the Politics of Institutional Reform. Bringing Agency Back In. Mid-Term Workshop Report, Cape Town 25-26 May 2010".
8. Edward Laws (2010) "The 'Revolutionary Settlement' in 17th Century England: Deploying a Political Settlements Analysis".



The Developmental Leadership Program (DLP) addresses an important gap in international thinking and policy about the critical role played by leaders, elites and coalitions in the politics of development. This growing program brings together government, academic and civil society partners from around the world to explore the role of human agency in the processes of development. DLP will address the policy, strategic, and operational implications about 'thinking and working politically' - for example, about how to help key players solve collective action problems, negotiate effective institutions and build stable states.

The Developmental Leadership Program

W: www.dlprog.org

E: info@dlprog.org