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Yemen: Economic and Political Deterioration

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There is a traditional saying that to rule Yemen is like riding a lion, and President Ali Abdullah Saleh is no stranger to the demands of political survival. His twenty-seven years in power have refined his skills as a master of compromise among the disparate interests of tribal groups, Islamists, socialists, Saudi Arabia, and the West. He has remained in control throughout the unification of the former North and South Yemen, the international isolation that followed Yemen's refusal to support the U.S.-led coalition in the 1991 Gulf War, the 1994 civil war, and U.S. demands for cooperation in counter-terrorism efforts after 2001. Yemen is now once again facing a host of internal political and economic challenges, in the face of which Saleh is opting to reel in political freedoms in order to maintain control.

A number of incidents since the spring of 2004 have demonstrated the government's decreasing tolerance for dissent. In March 2004, it was reported that Saleh's son and widely-assumed successor Ahmed (commander of the Republican Guard and Special Forces to Combat Terrorism) had been shot and injured by one of his own officers. The journalist who wrote the story was promptly arrested and detained for printing false material aimed at destabilizing the country. Local observers suspected that the heavy-handed response was driven by the need to appear in control before implementing long-awaited IMF-mandated removal of fuel subsidies. To the surprise of the government, late last year roughly 100 deputies from the ruling party had signed a protest against the removal of the subsidies and diesel smuggling by top government officials, an unprecedented move in a parliament that generally complies with government initiatives.

Then, in June 2004, former parliamentary deputy Hussein Al Houthi launched an armed challenge to the government's authority in the northern province of Saada. Calling Saleh "a tyrant... who wants to please America and Israel, by sacrificing the blood of his own people," Al Houthi attracted a level of popular support that unnerved the government. The military had expected to crush the rebellion quickly, but in fact it took three months and cost an estimated 1000 lives and \$1 billion to put down the initial fighting, which resumed in March 2005, with many more lives lost and villages destroyed. As with the incident involving Saleh's son, the government turned on those who criticized government handling

of the uprising, arresting several prominent journalists—one of whom was held for seven months and subjected to regular beatings, reportedly on presidential instructions.

Deepening frustration and despair are evident among Yemenis as the once-promising process of political reform has failed to bring improvements to the standard of living. Dozens were killed in riots when fuel subsidies were finally lifted in July 2005, increasing fuel prices by 100 to 150 percent overnight. Poverty levels have nearly doubled since unification in 1990, and this year GDP growth is set to be significantly lower than population growth. The 2004 international corruption survey by Transparency International found that Yemen ranked 112th of the 146 countries surveyed, a dramatic drop from the 88th ranking that it received just one year previously.

Yemen's budget is based primarily on revenue from oil and foreign aid. Windfall oil revenues generally have not benefited the budget, significant amounts being siphoned off by government officials or used to buy short-term political acquiescence from potential detractors. The larger problem, however, is that current oil reserves will run out in just seven years, President Saleh confirmed in early 2005, a decade earlier than previously thought. When oil revenues dwindle, the government will find itself short of the money that it uses to incorporate people into patronage networks and in need of a more stable source of legitimacy as well as new sources of income.

In an apparent attempt to shield himself from public anger, President Saleh announced just three days before the July fuel price hikes that he would not run for re-election in 2006. Most Yemenis remember, however, a similar announcement prior to the 1999 election, which Saleh then contested and won with an alleged 96.3 percent of the vote. Despite such manoeuvres and the ongoing crackdown on journalistic freedoms, Saleh continues to win plaudits from the West, such as a January 2005 U.S. House of Representatives resolution congratulating President Saleh for his commitment to reforms and citing Yemen (along with several other countries) as a model for democratization in the Arab world. What Yemen really needs, however, is fewer rhetorical bouquets and more assistance from the United States and other donors to get the country on a sound economic footing. This will require putting the spotlight on the corruption that is rampant within the government; failing this, there is little hope that Yemen's already faltering democratic experiment will succeed.

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