

Yemen Strategic Review

May 20, 2020

A. Executive Summary

1. Over 100,000 people have died in Yemen's war, creating the world's worst humanitarian crisis. Several conflict drivers are responsible for starting and sustaining Yemen's war, including the Government of Yemen's (GoY's) oppressive economic and political marginalization of residents of south Yemen, and economic, political, and religious marginalization of Zaydi Shia citizens in north Yemen.

2. Since the war began, war economies have developed, making it more difficult for those benefiting to be willing to end their participation: US arms producers, Middle East arms smugglers, and financially desperate civilians still benefit from the civil war. Also, the Kingdom of Saudi Arabia (KSA) and the United Arab Emirates (UAE) stand to benefit geopolitically from their continued involvement. E.g. Yemen's Mahra province provides an ideal route for a future oil pipeline for the KSA.

3. Several trends are suggestive of the near-term trajectory of the conflict, including the ability of the warring parties to create imperfect agreements (particularly the Stockholm Agreement) that have still saved countless lives, the increasing collapse of the GoY and the Southern Transitional Council (STC) alliance which could expand the war, a major attack on Saudi oil infrastructure that brought the KSA and Houthis into talks, and a major Houthi attack on GoY forces in Marib which led to a return to severe clashes.

4. A number of actions are recommended to resolve the Yemen conflict, such as creating a committee of friendly parties to the combatants to coordinate and expand conflict mediation efforts with the UN Envoy to Yemen, creating more confidence building measures, increasing US pressure on the Coalition to end attacks, launching a nationwide ceasefire to enable humanitarian experts to help sick civilians, creating a Ch. VI UN mission, expanding the number of parties to a national dialogue, and scheduling a referendum on final status issues.

B. Introduction

5. This review's objective is to analyze key drivers of the Yemen conflict, both those which began the civil war and those which sustain it. It also describes some of the key recent trends in the conflict. Further, major stakeholders are listed that have a vested interest in the conflict and that should engage in actions that could help end it; these actions are outlined thereafter. Also, several major risks that could prevent peace from developing are explained.

C. Strategic Analysis

• ***Economic Exclusion***

6. A major driver of the Yemeni conflict has been the economic marginalization of actors outside of the ruling elite. E.g., soon after North and South Yemen united in 1990, then Pres. Ali Abdullah Saleh made new investments concentrated in the north, while transferring much of the south's oil and natural resources to the north. After Southerners tried and failed to break away in 1994, Saleh confiscated southern lands, businesses and resources to give to northern leaders, and discharged thousands of southern civilians and soldiers from their jobs. He also created a ruling coalition that excluded the south's main political party.

7. This pattern of rewarding loyal elites with properties and political benefits, and using violence against those who proved disloyal contributed to extreme economic deprivation throughout Yemen. By 2011, Saleh's patronage system had distributed 80% of the country's banking, transportation, manufacturing, import, and telecommunication sectors between just 10 families (Hill, Ginny et al., *Yemen: Corruption, Capital Flight and Global Drivers of Conflict*, Chatham House, 2013).

8. Further, Yemen is the poorest Arab nation, with very high levels of unemployment, with a majority of its citizens being illiterate, and with low levels of development. The Sada'a province from which the Houthis hail historically had been among Yemen's least developed, and the government provided few services to its residents. The Houthis' grievances included economic marginalization and corruption, factors likely to have contributed to their animosity towards the GoY.

• ***Political Exclusion***

9. When Saleh was forced to resign in 2011, southerners increasingly demanded independence, and most of the south's Hirak movement - which favored secession - boycotted the 2013 - 2014 National Dialogue Conference (NDC) held by the new president, Abdrabbuh Mansour Hadi. By the end of the NDC, despite southern separatist and Houthi protests, Hadi decided there would be a federal system with either 2 or 6 states, postponing a final decision. Many other opposition groups were left out of the NDC. While the Houthis participated, they were simultaneously seizing new territories in the north, and within weeks of the NDC concluding attacked Pres. Hadi's tribal allies.

10. When the Houthis seized San'a in 2014 with the help of former Pres. Saleh's forces, southern separatists joined the Hadi government's fight and together formed the new capital in Aden. Yet, acts of exclusion persisted. E.g., the GoY refused to allow the STC to participate in the 2018 Stockholm Agreement.

- ***Religious Marginalization***

11. The Houthis' rise to prominence resulted from Saleh's policies that marginalized them politically, economically, and religiously. As the KSA began funding Salafi groups in the 1970s in Sa'ada - home to a large Zaydi Shia population - to try to convert Zaydis to Wahhabism, Zaydi religious leader Hussein al-Houthi felt threatened and began a movement to revive Zaydism; he also began publishing anti-Wahhabi texts. Saleh tried to reduce tensions by appointing al-Houthi to parliament. However, he felt he was unable to play an effective role and resigned to return to expand his movement.

12. Al-Houthi's movement turned against Saleh, engaging in armed conflict in 2004, during which GoY forces killed al-Houthi. His movement reacted by starting numerous armed conflicts with GoY forces from 2004 - 2009, each time bolstering the Houthis' military power. In 2009, the Houthis launched attacks across the border in the KSA; Saudi forces fought back and claimed at the time that Iran was arming the Houthis.

- ***Saudi Coalition fears of Iranian Assistance***

13. Another conflict driver has been Saudi, Emirati, and American concerns Iran is forming a partnership with the Houthis and arming them with advanced weapons in hopes of the Houthis becoming an Iranian Shi'a proxy force on the KSA's border.

14. Though experts are skeptical about how close the relationship really is, it is fairly clear Iran has provided the Houthis with advanced weapons. E.g., on 9 Feb. 2020, the US Navy intercepted a boat heading to Yemen, carrying drone parts, thermal weapon scopes, a guided missile destroyer, 150 "Dehlavieh" anti-tank guided missiles, Iranian "358" surface-to-air missiles, and land-attack and anti-ship cruise missiles. This was the 6th interception of weapons destined for Yemen in the past 5 years. Since 2015 the Houthis are thought to have launched ballistic missiles and drones with technical help from Iran, including Qasif-1 drones and Burkan 2-H missiles.

15. The US role in helping the Saudi Coalition's war on the Houthis originally stemmed from the Obama administration's concern that because it had angered the Saudis by signing the "Joint Comprehensive Plan of Action," (JCPOA) - allowing Iran to enrich uranium below an agreed upon threshold - if the US did not help the Saudis in their war with the Houthis their decades long alliance risked collapsing. The Trump administration embraced continuing to help the Saudis' air campaign through weapons sales, and logistical and intelligence support after it had campaigned on withdrawing from the JCPOA, and applying "maximum pressure" on Iran to force them to abandon their nuclear program.

- ***War Economies***

16. Also, the Trump administration reversed foreign policy under prior administrations tying foreign arms sales to US diplomatic goals to instead sell arms for the primary purpose of generating profits for US arms companies. In June 2017, US Senate Foreign Relations Committee Chairman Bob Corker decided it was time to stop supplying weapons to the Saudi Coalition. Trump's trade advisor, Peter Navarro, quickly wrote a memo to White House officials stressing that unless the Senator's actions were reversed, US job losses would be imminent. Within weeks sales resumed.

17. With Yemen's economy in shambles, many civilians can only feed their families by joining the armed groups. This creates incentives to refuse to disarm should eventual peace talks prevail. Children as young as 15 have been recruited by the Houthis. Further, the Houthis have taken over financial institutions and funded their war efforts by taxing the public, and weapons smugglers profit by defying the UN arms embargo. Also, the armed groups control distribution of humanitarian assistance in areas in which they operate, often diverting aid intended for civil society organizations (CSOs) and civilians in great need to individuals loyal to the armed groups, or selling the goods on the black market.

18. The KSA and the UAE have each provided funds to their partners in Yemen. Sometimes, foreign backers have paid the salaries of fighters and even offered homes in the respective foreign capitals for leaders of local armed groups.

- ***Geopolitical Incentives for the Saudi Coalition***

19. Further, the KSA and the UAE both have their own geopolitical incentives for continuing the war - some which may be tied to financial benefits. The KSA wants to continue to eliminate AQAP's presence with US help, and is allegedly interested in using the Yemen province of Mahra for constructing an oil pipeline travelling via east Yemen to the Arabian Sea to avoid future conflicts with Iran in the Strait of Hormuz.

20. The UAE has been funding and supporting fighters in southern Yemen, particularly the STC. The UAE is also said to have interest in controlling ports at strategic locations along Yemen's coast, including Aden, and has been rebuked by the GoY and the KSA for occupying Socotra Island - a strategic location between key maritime routes. Some have even claimed the UAE desires access to some of Yemen's natural resources.

D. Trend Identification

21. Several key trends in the past 2 years have impacted the war's course and conflict resolution efforts.

- **Stockholm Talks Evaded a Humanitarian Catastrophe**

22. In 2018 the Saudi Coalition planned to attack Yemen's largest port, Hodeidah, which was controlled by the Houthis and located just 5 hours away from San'a. In addition to Hodeidah being a major population center, since 90% of Yemen's food and essential commodities enter Yemen at Hodeidah and 80% of Yemenis rely on humanitarian assistance, the attack would have been a humanitarian catastrophe. UN Envoy Martin Griffiths secured the Stockholm agreement, comprising 3 components: a prisoner exchange, and agreements on securing Hodeidah and Taiz.

23. The Stockholm Agreement successfully prevented calamitous death tolls, proving cooperation between the warring sides is possible. Yet, it set unrealistic timeframes for military redeployments and demilitarization of the ports, and the parties could only agree to vague language which left provisions of the agreement open to interpretation. This resulted in redeployments not occurring. It is a potentially troubling sign that each side could not agree to *mutually* understood provisions since failure to abide by civil war agreements increases levels of distrust and the chances of future agreements also failing.

24. One crucial factor inducing the KSA to press the GoY to come to the table was US pressure. After the Jamal Khashoggi murder in Oct. 2018, the US public was outraged, leading to bipartisan Congressional demands the Trump administration cease support for the Saudi Coalition in Yemen. As a result, the Trump administration successfully pressed the KSA to halt plans to attack Hodeidah; this episode shows the US holds great leverage over the Saudi Coalition's ability to wage war.

- **The Implosion of the Anti-Houthi Alliance**

25. In Aug. 2019, the alliance between the GoY and STC ruptured. Distrust between the parties boiled over when a high-level STC commander was killed. Many STC troops suspected GoY forces were to blame. Enraged, STC forces attacked GoY troops, ousting them from Aden. When GoY forces regrouped and counterattacked, UAE fighter jets attacked GoY positions. This created tension between the KSA and UAE. The UAE decided their ground forces would leave Yemen in early 2019, which may not only be due to such tensions, but a realization the war could not be won militarily.

26. The KSA and the UAE eventually persuaded the GoY and STC to sign the Riyadh Agreement, containing provisions for a new government divided equally between the sides, redeployments of troops, and guarantees the STM could take part in future negotiations with the Houthis. Some criticized the agreement for largely being forced upon the parties, and again having

unrealistic timelines and vague language which set the parties up for implementation failure and thus further distrust.

27. Indeed, more clashes erupted on 20 Mar. and 1 Apr. 2020, and the Riyadh Agreement collapsed at the end of Apr. when the STC announced it was establishing self-rule in areas under its control. The collapse of the Riyadh Agreement is a blow to the Saudi Coalition's goals of reaching a favorable agreement with the Houthis, as the Houthis stand to gain a better deal for themselves from any accord with a fragmented opposition. Further, any negotiations between Hadi forces and the Houthis without the STC will not resolve the south's final status, and could lead to a second civil war.

- **The Drone Attack on Saudi Aramco Led to Talks**

28. On 14 Sep. 2019, armed drones destroyed two major Saudi Aramco oil facilities that took out 50% of the KSA's oil production capacity. The Houthis claimed responsibility, though experts believe the attacks were by Iran. After a weak US response, the KSA appeared to have decided to minimize risks of further escalation. It reached out to the Houthis and the Houthis announced they were pausing all drone and missile attacks on the KSA. Before the end of Sep., both sides began back-channel talks mediated by Omani officials. The fact the KSA sought talks shows it may be looking for a way out of the conflict; the Houthis desire for talks shows it may be concerned about being pulled more into a US-Iranian proxy war.

29. Yet, as protests in Iran, Iraq and Lebanon spread, and after the US killed Iranian General Qassem Soleimani on 3 Jan. 2020, the KSA slowed down its talks, possibly due to an increasing level of confidence in the US's will to protect them.

- **The Marib Attack Reversed Growing Trust**

30. Just as rumors were spreading about a possible breakthrough in talks between the KSA and the Houthis, a major missile strike on a mosque occurred on 17 Jan. 2020 in Marib - a stronghold of GoY forces - killing 116 troops. The Houthis denied responsibility, but the KSA responded with dozens of attacks on their positions, blaming them for using the talks as a ruse to prepare for the Marib assault. A Houthi takeover of Marib would restrict the Saudi Coalition's ability to target Houthi positions and deprive GoY forces military bases critical to continuing their fight. The sudden escalation from both sides at least momentarily strengthened the position of hardliners who believe a decisive victory is still possible.

31. Though tenuous, the Saudi-Houthi talks have continued. Further, on 9 Apr., the KSA declared a 2-week unilateral ceasefire ostensibly due to the COVID-19 pandemic. Yet, the Houthis refused to reciprocate, stating a ceasefire means

nothing until the Coalition's naval blockade is lifted. Once expired, the KSA renewed the ceasefire for a month. Many experts see this as a sign the KSA is trying to find a way out of the conflict. On 15 May, Martin Griffiths announced significant progress in negotiations towards a nationwide ceasefire, while emphasizing fighting in Marib continues to rage.

E. Stakeholder Mapping

32. The GoY: The internationally recognized government of Yemen, at war with the Houthis since 2005.

33. The Houthis: A Zaydi Shi'a armed movement that took over San'a in 2014. It controls around 1/3 of Yemen, and has the support of a majority of ex-Pres. Saleh's armed forces. The Houthis have received Iranian arms.

34. The STC: The largest group supporting southern Yemen secession. It has fought beside GoY forces throughout the war, but at times against them, and is funded by the UAE.

35. The KSA: It borders Yemen to the north, and perceives the Houthis as a proxy of its archenemy Iran.

36. The UAE: It is the KSA's main ally in the war. It backs the STC to fight the Houthis.

37. The US: It supports the Saudi Coalition with advanced weapons, logistical aid, and intelligence.

38. Republicans in the US Congress: Pres. Trump heavily relies on their political support. Some oppose giving the Coalition weapons since many civilians have been killed.

39. Iran: It is the KSA's archenemy and expands its influence by forming Shi'a proxy militias in nearby countries.

40. The EU Delegation to Yemen: It has engaged positively with the Houthis, and has provided track 2 mediation involving Yemeni tribal leaders, women, and youth on topics like the peace process and south Yemen's future.

41. Oman: Yemen's neighbor has good rapport with the Houthis, has allowed wounded Houthis to be treated in Oman, and has facilitated talks between the KSA and Houthis.

42. The UN Security Council (UNSC): It has the primary responsibility to maintain global peace and security.

F. Priorities for Peace Consolidation

43. The KSA and Houthis should continue engaging in talks until adequate agreements on mutual security guarantees are reached. E.g., for the KSA to feel safe, it would likely need assurances the Houthis will no longer acquire Iranian weapons, will destroy all advanced ballistic missiles and drones they have, and will end their relationship with Iran. Likewise, the Houthis would likely need guarantees on what the KSA's conditions would be for it not to attack the Houthis again, and be able to agree with these conditions. Though withdrawal of the

Saudi coalition from the conflict would not end it, it would likely significantly reduce the number of civilian deaths, and pressure the Hadi government and STC to negotiate with the Houthis to end the war.

44. UN Envoy Martin Griffiths should seek to persuade the UNSC to replace Resolution 2216 (2015) which requires the Houthis give up all captured territory and arms before entering into peace talks with the GoY, and excludes talks to the GoY and Houthis, preventing the STC or any other parties wishing to enter into talks from doing so unless they join the GoY. The goal of the new resolution should be to reflect realities as they are now so that all warring parties will be incentivized and free to enter talks.

45. Representative mediators from the US, KSA, UAE, Oman and the EU Delegation to Yemen who hold expertise on the Yemen conflict should form a "coordination committee" with UN Envoy Martin Griffiths to regularly meet to divide up and coordinate responsibilities for advocacy with, applying pressure on, and offering relevant expertise to the GoY, STC, and the Houthis, to help them progress through the various conflict resolution stages until a sustainable peace deal is reached. Since Oman, the EU, and the UN Envoy to Yemen have had contact with the Houthis through much of the conflict, they should be the parties to coordinate conflict resolution objectives with the Houthis.

46. The EU Delegation to Yemen should continue its track 2 mediation programs, but coordinate with Martin Griffiths.

47. All 5 Republican Senators and 4 Republican Congressmen who recently voted to ban US arms sales to the Saudi Coalition should immediately meet Pres. Trump and pressure him to ask the KSA to end its air campaign.

48. The KSA, UAE, and US should press the GoY and the STC, and Oman and the EU Delegation to Yemen should press the Houthis to agree to Martin Griffiths' current proposal for a nationwide ceasefire. A concerted effort must be made to ensure all warring parties have a *clear* mutual understanding of the agreement. Further, when a ceasefire is agreed to, representatives from the coordination committee should seek to convince the GoY, STC, and Houthis to send high ranking military personnel to join a joint ceasefire monitoring cell that observes all front lines to minimize violations and refute false rumors of violations.

49. A *mutually* hurting stalemate needed for successful mediation has not developed as the Coalition is hurting financially, divisions between the GoY and STC are growing, yet the Houthis continue consolidating power. The coordination committee must still try to commit all sides to *confidence building measures* like the nationwide ceasefire, prisoner exchanges, and track 2 talks.

50. Once a nationwide ceasefire is agreed to, the coordination committee should persuade the warring parties to allow humanitarian aid and medical workers to attend to and provide supplies for Yemenis who are sick and malnourished.

51. Since a recent study by scholars who interviewed leaders of CSOs in Yemen found strong evidence of military forces confiscating humanitarian aid from CSOs and giving it to loyal followers or selling it on the black market (Elayah and Verkoren, "Civil Society During War: the Case of Yemen," *Peacebuilding*, 2019) the coordination committee should seek to persuade the conflict parties to allow a Chapter VI UN peacekeeping or special political mission to be set up with unarmed personnel monitoring aid distribution to ensure it is given to intended recipients.

52. While for the time being, forming disconnected agreements like the Stockholm Agreement and the Riyadh Agreement may be required until more trust is established, the coordination committee should ultimately seek to persuade all warring parties in Yemen to establish a transitional government, and to engage in national multiparty talks to include more parties throughout Yemen in the peace process, include a wider range of views from Yemeni society, and to better address longstanding grievances.

53. When enough trust between the parties has been reached, a national dialogue process should occur that is *more inclusive* than the NDC was, to generate more options for future governance and security structures in Yemen, geographic boundaries of any states, distribution of resources, and final status of southern Yemen. The UAE will need to persuade the STC to remain patient until such talks occur, reassuring them they will.

54. Regarding determining which CSOs should participate in the national dialogue, the aforementioned study also found most Yemeni CSO leaders' risk being harmed if they say or do anything the conflict parties where they reside do not want them to. Yet, the study found the most impartial civil society actors unafraid to express their views include leaders of tribal or religious organizations, leaders who became activists during the Arab Spring, and Yemeni activists who live overseas. The coordination committee should seek to persuade the conflict parties to allow these types of leaders to participate in order to avoid having CSO leaders who merely state the views of the armed groups controlling the territories where they live.

55. When the appropriate time comes to help the conflict parties plan for the national dialog process, the coordination committee should seek to persuade them to commit to hold a national referendum at a predetermined date after the dialog process occurs, to be monitored by mutually trusted actors from the international community. The goal of the referendum would be

to maximize the inclusiveness of Yemenis in determining the fate of their country, and give the peace process more buy-in from the public, and thus more legitimacy. Persuading the leaders of the armed groups to include the general public in making decisions they have been fighting to make themselves will be difficult. Yet, the coordination committee members should stress the chances for civil war relapse will decrease if the public feels their voices were heard.

56. It may be needful for several years to pass between the national dialogue and the referendum in order to reduce tensions and the likelihood of renewed conflict. Through more inclusive dialog in the peace process it may be possible to transition from a zero-sum conflict about identity and territorial control to issues that can be more easily resolved, such as distribution of power and resources, fair treatment, and good governance.

57. Once a nationwide ceasefire is established, the coordination committee should engage with the conflict parties to see whether they would also be willing to have the aforementioned Chapter VI mission establish a naval fleet similar to the UNIFIL Maritime Task Force in Lebanon to monitor and inspect ships for weapons (until Yemen establishes the capacity to do so effectively on its own) to replace the Saudi Coalition's current naval blockade. The US and the UN Envoy to Yemen should also seek to persuade the KSA and UAE to allow such a fleet to replace the blockade. To compliment the UN naval fleet, the EU Delegation to Yemen and Oman should seek to persuade the Houthis to agree to allow a rigorous on-shore UN weapons inspection mechanism for all docked ships.

G. Risks

58. The conflict parties may not allow additional actors in Yemeni society, including the public by referendum, to decide the final outcomes of the peace process. Yet, the less inclusive peace agreements are, the more likely they are to fail.

59. Iran may see it in their interests to continue dividing the Houthis and the KSA. Also, some Houthi hardliners may try to act as spoilers to any agreements with the other conflict parties. Any more major attacks on the KSA with Iranian made weapons or which hardliners among the Houthis claim responsibility for could trigger an intensified war.

60. With the STC claiming autonomous rule, the risk that tensions between them and the GoY could erupt into a second civil war is very real. If this occurs, the Houthis would try to consolidate control over even more territories while the STC and GoY are fighting. A civil war between 3 sides would take much longer to resolve.