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THE REPUBLIC OF YEMEN:
THE POLITICAL ECONOMY
OF A WEAK GOVERNMENT

Democratic Institutions Support Project

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SECTION I
EXECUTIVE SUMMARY

On May 22, 1990, unification of the Yemen Arab Republic (North Yemen) and the People's Democratic Republic of Yemen (South Yemen) established the Republic of Yemen (ROY). A measure of democratization accompanied unification: a new constitution was promulgated, and laws declared granting expanded freedoms to political parties and the media. Elections to the new 301-seat national parliament consummated the marriage, ratifying the unification agreement and demonstrating widespread support for elites, who had realized a long cherished dream of unity.

Yet in many ways, the unified ROY is a "mixture of oil and water": a joining of two separate entities rather than a true merger. As a result, the government is weak and unable to contain violence. The courts, parliament, and local government institutions are fragile, and the executive is divided. Armed conflicts have occurred between army units loyal to San'a on the one hand and Aden on the other.

Governmental incapacity in Yemen has deep roots that have been accentuated by unification. Distrust among political elites means that decisions are made not by majority rule but by consensus. Every political action is designed to bolster the coalition of the whole, of all major political actors, allocating to each a portion of available resources.

The politics of consensus is extremely unwieldy and unsuited to making the hard decisions effective governance requires. It causes paralyzing delays in decision making, undermines government accountability, and often stands in the way of national interests. Moreover, consensual government is not sustainable. While it may maintain a fragile coalition for an interim period, over the long haul, the ROY has to create viable institutions, coherent policies, and problem-solving capacities. Failure to do so will doom Yemeni attempts to address economic and social problems and undermine the development of sustainable democracy. Failure will also spawn conflict.

Threats to the viability of the politics of consensus in Yemen exist over the short and long term. The more immediate threat is that the ruling coalition will fragment, leading swiftly to the break up of the union and possibly broader political chaos. The long-term danger is that the costs and shortcomings of consensus politics will prevent the government from tackling major developmental challenges, also leading to political instability and breakdown.

Thus the government of Yemen is caught in a dilemma. There is no viable alternative to consensus politics in the short run. Governmental institutions and political organizations are too weak and unification

too recent for a compact ruling coalition to govern. If the YSP were to leave the ruling coalition now, the result would probably be dissolution of the union.

Yemeni political elites are aware of the need to institutionalize majority rule, and many have committed themselves to the task. Ultimately, if the union persists, alliances will develop that link social forces and political actors in the North and South, and politics will become less of a zero sum game between the two regions.

Representative fora at the local and national level may help foster the growth of such alliances. Even during a difficult transition period, representative fora can provide an arena for national dialogue and consensus building. In the interim, economic and institutional performance will be secondary to the preservation of consensual politics.

The transition to a unified and democratic ROY is bound to be gradual. Unification will be successfully completed only when political organizations begin to operate nationally and not regionally. Democratization and majority rule will be possible when government institutions develop the capacity and internal coherence to formulate and implement policy with greater autonomy from social forces and political actors. Thus while assistance programs must adopt short-term strategies to maintain consensus, it is vital that transformation to majority rule remain the primary long-term goal.

SECTION II UNIFICATION: A BRIEF HISTORY

A long historical tradition has nurtured a sense of nationhood stronger in Yemen than in many other Asian Arab countries. Although separated by religion, tribe, ethnic group, region, class, and accent, Yemenis consider themselves a single nation that was artificially and wrongfully divided. Unification is seen as an historic achievement.

Unification enjoyed widespread popular support for decades. What changed was the immediate political calculus of the leaderships of North and South. In 1990 both sides realized that daunting economic and political challenges could be better confronted jointly than separately. The principal economic benefit to elites was the resolution of issues surrounding exploitation of promising oil fields astride the old North-South border. Unification would abolish the border problem, removing a key constraint to foreign oil company investment.

Money was scarce on both sides of the border, but the situation was especially desperate in the South. The PDR had been unable to find new sources of foreign assistance since the demise of the USSR. By 1990 its budget deficit had expanded to 40 percent of GDP, and its debt had ballooned to \$2.2 billion, about 207 percent of GDP. Debt service ratio had escalated from less than 10 percent in 1984 to over 53 percent in 1989, and debt servicing was becoming increasingly difficult. The South was simply running out of money.

While the Northern economy was marginally better, it was far from robust. Hopes for an oil boom did not materialize; the major oil field (Marib) came on stream in 1987, after the collapse of oil prices in 1986. The inflation rate was growing, the currency depreciating, and external debt expanding. Deflationary economic policies were needed. But the government had encouraged rising expectations since 1987; it was reluctant to reimpose the austerity programs that were

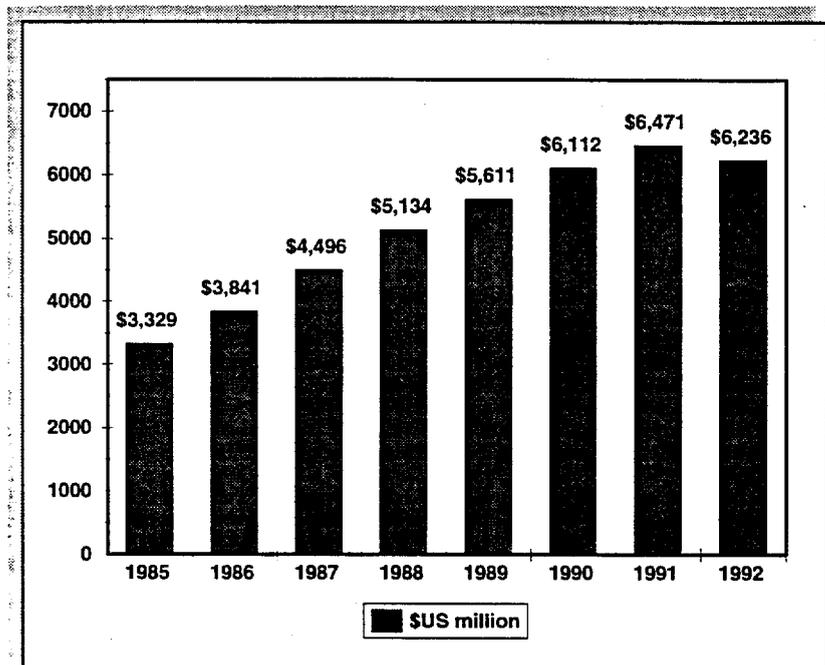


Figure 1: External Debt Source: World Bank, IECDI

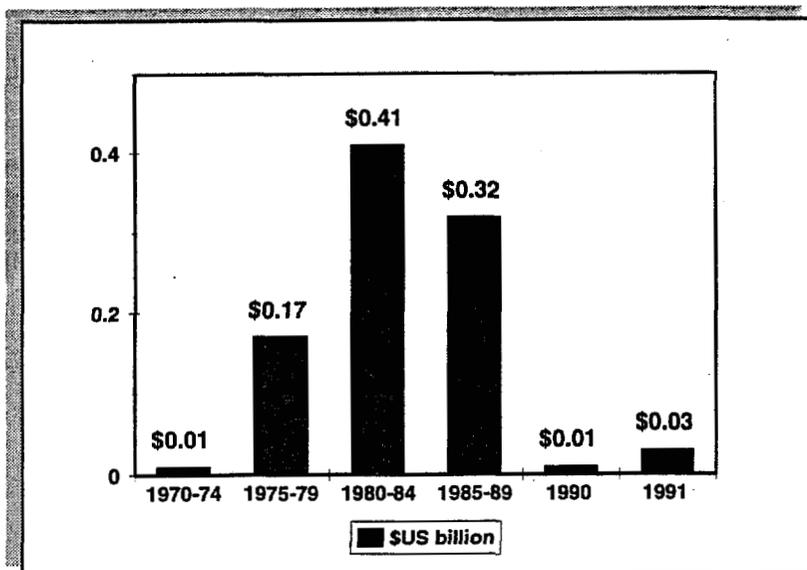


Figure 2: Multilateral Assistance
 Source: World Bank, World Debt Tables

temporarily mandated in 1986. The easier choice was to opt for union, which Northern elites hoped would stimulate the flow of oil money and renew foreign assistance.

Elites also saw political benefits in unification, although again, the greater need lay in the South. Once the only ruling Marxist-Leninist party in the Arab World, the revamped Yemeni Socialist Party (YSP) watched the collapse of the Soviet bloc

with dismay. Since the fratricidal civil war of 1986, the South's ruling party had managed to retain power; but it was too enervated to maintain control and fend off possible political intervention from the North, while remaking itself into a social democratic party.

In late 1989 a timid experiment with democratic elections at the local level showed YSP leadership it was in deep trouble, for a high percentage of non-YSP candidates were elected. Just as the North's Western connections held the hope of increased foreign assistance for the South, so the North's quasi-democratic, quasi-capitalist orientation gave YSP elites an umbrella to remake their party image and preserve their power.

Unification offered advantages to Northern elites as well. Half of Yemen's Zaydi reside in North Yemen; by adding the South's overwhelmingly Shafi'i population to the ROY, unification reduced the percentage of Zaydi in the total population. President Ali Abdullah Salih is a Zaydi, but like his predecessors, his government is backed by the military and is dependent on the urban, modernist Shafi'is for support. Thus Southern Shafi'is were being used to counterbalance the rural, tribalized Zaydi north of North Yemen and their preeminent spokesman, Shaykh Abdullah bin Hussein al Ahmar, leader of the Hashad tribal confederation. The need for a southern counterweight became more pressing after the Islamists made an impressive showing in the 1988 Consultative Council elections, winning a quarter of the seats.

Unification thus offered economic and political benefits to both sides and required neither victor nor vanquished. But this was not a union of equals. The North was (and is) stronger than the South. As

the German analogy suggests, mergers among "unequal brothers" generate resentment. Some of the North's resources were offered to the South to fend off penury; in return the South was to assume a somewhat subordinate political role in the ROY. But the terms of the agreement were implicit and failed to specify how much the North was to pay, or how subordinate the South was to be. Misunderstandings and disagreements ensued, exacerbating a legacy of distrust.

These tensions and fears are reflected in the current governmental structure. A five-person presidential council, created to facilitate unification, continues to govern and has not been replaced by a president and vice president, as originally intended. The presidential council has been immobilized by a conflict between its two principal members. Enabling legislation for elected local government bodies has not been enacted into law, as called for in the constitution. The two militaries remain separate. The executive bureaucracy has swollen beyond state capacity to sustain it, providing employment for civil servants from both North and South. Government inability to generate revenues is both a cause and consequence of these problems.

SECTION III DEVELOPMENT CHALLENGES

Yemen faces development challenges across a wide spectrum. The government must act to encourage economic growth, stabilize the population, improve public health and other social services, protect the environment, create employment, and curtail violence.

A. Economic Growth

The economy of Yemen faces very serious problems in the immediate future. Macroeconomic imbalances are increasing, with imports generally twice as large as exports, government budgetary deficits and inflation on the rise, and real GDP and per capita income falling.

To maintain the momentum generated by unification the ROY must stimulate economic growth. It cannot depend on the oil sector alone, for the most optimistic scenario for oil exports is half a million barrels per day. Even this level will not generate adequate foreign exchange at forecasted international oil prices. Worker remittances are unlikely to recover quickly in the current political climate, and Yemen cannot depend on tourism, since it lacks the infrastructure to support a broad-scale tourist industry.

The only real choice for the ROY is to develop its tradeable goods sectors, reducing the balance of payments deficit and the food gap in particular.¹ This will not be an easy task. Agriculture is constrained by water scarcity, land degradation, low education, and poor social and physical infrastructure. Manufacturing employs only 4 percent of the labor force; excluding refined oil products, it accounts for at most 2 percent of export earnings. Because of shortages of

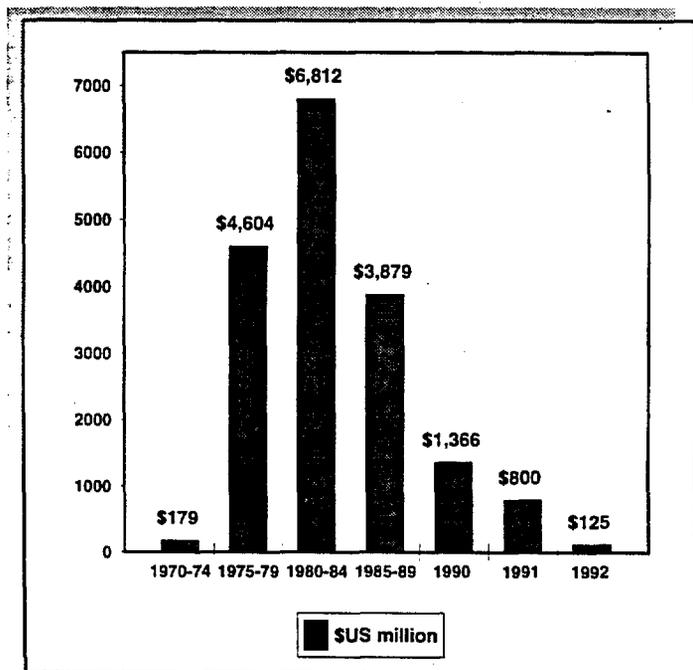


Figure 3: Worker Remittances Source: World Bank, IMF

¹ On the eve of unification in 1990, North Yemen imported 48 percent of its food (60 percent of its cereals); the value of food imports had tripled since 1975, and the value of food imports per capita had doubled.

imported raw materials, both the public and private industrial sectors are operating far below capacity. Further, macroeconomic mismanagement impedes the development of export capacity.

Stimulating economic growth will require painful policy choices. Resource allocation must become much more efficient, and funds for productive investment must be found. The ROY inherited economies built primarily on exogenous earnings from foreign assistance, worker remittances, and the oil industry. These will be insufficient in the future to sustain a burgeoning population. Thus the country must find more effective ways to use its endogenous human and physical resources.

B. Population Expansion

Yemen's fertility rate, at 7.7 children per mother, is one of the highest in the world. Only 3 percent of Yemeni women use contraceptives. The population is growing at 3.6 percent per annum, up from 2.7 percent in the previous three decades. The current population of 12.5 million (mid-1991) is estimated to reach 25 million in less than 20 years. Yemen must slow its population expansion if it is to confront other development challenges like employment, environmental protection, health, and education.

C. Social Challenges

Most Yemenis have limited access to educational facilities. Fewer than two in five adults are literate, while 92 percent of Northern and 73 percent of Southern women cannot read or write. Public health problems are also significant. Over the last three decades, life expectancy has increased from 36 to 51 years, yet 65 percent of

The Macroeconomy

Yemen's budgetary deficit, which exceeded 18 percent of GDP from 1988 to 1991, rose to nearly 33 percent in 1992. Remittances, long the main source of foreign exchange, collapsed in the wake of the Gulf War, falling from over \$370 million in 1989 to \$125 million in 1992. The annual current account deficit deteriorated from \$U.S. 216 million at unification to about \$700 million in 1992. Inflation has accelerated from 15 percent in 1989 to over 40 percent in 1991 and 1992. Real GDP has fallen by at least 10 percent over the past three years; and real income per capita in 1992 was only 22 percent of 1986 levels.

Accelerating inflation and a fixed nominal exchange rate has led to increasing real overvaluation of the currency, shifting the internal terms of trade against agriculture and industry toward services.

During the oil boom the economy exhibited all the usual symptoms of Dutch Disease, but the situation has now changed. The Yemeni Riyal (YR), worth about \$U.S. 0.07 on the parallel market at the time of unification, was worth \$0.02 just three years later. Although the official exchange rate remains seriously overvalued, 85 percent of imports enter the country under the parallel rate. The country's debt is now roughly 90 percent of GNP. Debt service ratios remain manageable solely because the country is not paying its debts to former Soviet-block countries.

the population have no access to health care, and 54 percent have no access to safe drinking water.

Only 10 percent of rural children are immunized. Thirteen of every 100 children die before their first birthday, twice the infant mortality rate of Egypt. In 1990, 110,000 children under the age of five died. Several surveys cite nutritional problems; chewing *gat*, for example, reduces the appetite and makes the body burn calories faster.

D. Natural Resource Degradation

Yemen must feed and provide jobs for its growing population on a relatively narrow natural resource base. Indeed, degradation of the resource base constitutes one of the greatest threats to sustainable development. Three environmental challenges are significant:

- Deforestation
- Increasingly acute water scarcity
- Degradation and abandonment of terraces

Most of the country is barren rock or scrub. Fuel wood provides some 90 percent of household energy with annual fuel wood consumption about 6.0 million cubic meters. If the current rate is maintained, the country will be stripped of all trees by the end of the decade.

Yemen also lacks a national water plan. Current rates of ground-water extraction are estimated at 138 percent of recharge, and ground-water tube-wells are entirely unregulated. The country's cultivated area (about 1.3 million hectares or 3 percent of total land area) is fundamentally constrained by the lack of water, and about 20 percent of farmland is irrigated. Traditional range management systems also are under pressure as a result of falling water tables and social change.

E. Job Creation

Job creation is a formidable task. Thanks to accelerating population growth, Yemen has one of the highest proportions of population under 15 in the world, or 52.5 percent. Perhaps one quarter of the labor force is unemployed, and labor force growth is accelerating, from 2.7 percent in 1980-85

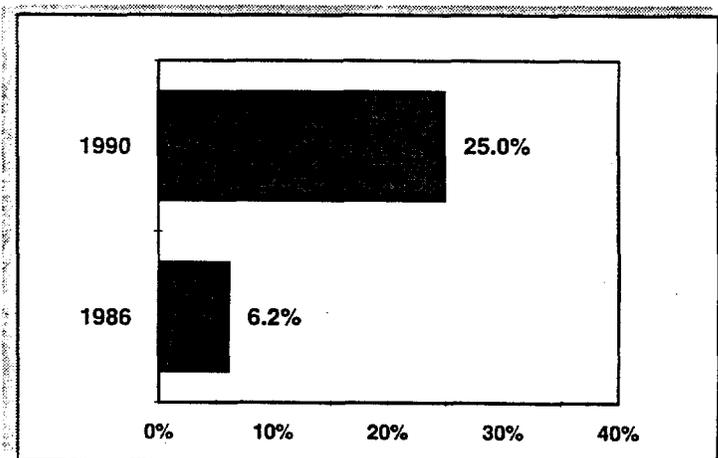


Figure 4: Unemployment Rates Source: World Bank

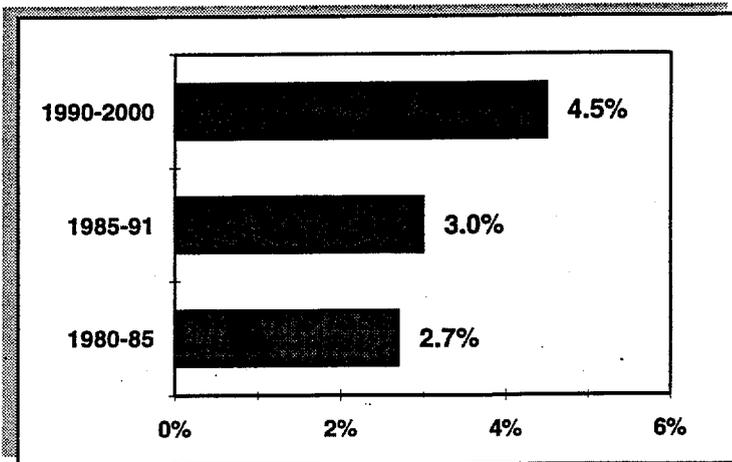


Figure 5: Labor Force Growth Source: World Bank, ILO

to 3.0 percent in 1985-91 and an estimated 4.5 percent in the 1990s. A contracting economy cannot begin to create jobs at this pace.

F. Violence

The most fundamental role of government is to ensure the physical security of its citizens. Yet Yemen's tribal culture supports a warrior-centered value system that spawns and glorifies violence. In the past, governments were nonexistent or too weak to contain high levels of conflict. The current government also has failed to do so, which vitiates the rule of law and undermines the development of democratic practices. Violent acts such as the 1993 abduction of the USIS director in San'a also do little to inspire the confidence of foreign investors and aid workers.

Anti-government demonstrations in December 1992 resulted in considerable loss of life. The 1992-93 election campaign was punctuated by a series of assassinations and attempted assassinations of political figures and their relatives, including prominent members of the General People's Congress (GPC) and the Islah party. YSP members have been especially targeted: since unification more than 150 YSP members and their kinspersons have been killed.

In November 1993 the nephew of the ranking governmental figure from the South was murdered. Alleged perpetrators of some of these acts were arrested, but later escaped and remain at large. The vice president has made the arrest of those responsible for political murders a precondition for his return to San'a. Yet despite the disruption caused by his absence, his demand has not been met.

Parliament passed a gun control law, but opposition, especially by tribal leaders, has prevented its enforcement. Although nongovernmental militias are prohibited by law, they flourish: tribal levies possess heavy weapons, and nearly all adult Yemeni males carry side-arms.

Violence directed at foreign oil exploration and development companies is the most economically disruptive. The government has failed to provide adequate security in exploration areas, or even to prevent kidnappings of foreign oil workers. In October 1993, the French company, Total, suspended all operations in East Shabwa following an

armed attack on a field installation. Total had earlier provided tribesmen with 85 additional jobs as a bribe to secure the release of its kidnapped technicians.

The government itself has had to use the carrot rather than the stick to induce tribesmen to cease their attacks on oil company personnel. In April 1993 it gave 50 heavy machine guns to a tribe in the al Hada district, which had kidnapped a Canadian oil worker and stolen several company cars. The weapons were provided as compensation for the death of a tribesman resulting from an earlier clash.

SECTION IV GOVERNMENTAL WEAKNESSES

A minimum of governmental control is a prerequisite of development: there can be no market-led growth without security of life and property, guaranteed by the rule of law. For the government to provide a reasonably secure and predictable environment for its citizens, it also must extract resources from the economy. In particular, the government must develop the capacity to tax and regulate efficiently. Finally, there can be no coherent economic policy unless the branches of government work together to make decisions, and the executive is able to carry them out.

In the absence of an independent judicial system or legislative oversight of the executive branch, accountability and rule of law will be limited at best, and development will be stalled. Unfortunately, the limited capacities of the three major branches of government in the ROY, and the nature of relationships between them, neither protect the rule of law nor facilitate economic growth and revenue extraction.

A. The Judiciary

The weakness of Yemen's legal and judicial system undermines the rule of law. It is not really a separate branch of government, but an arm of the executive that is relatively weak and resource-poor. The constitution states that the president is head of the judiciary, which falls under the Ministry of Justice. This ministry, like all others, reports to the president. The president also appoints all judges.

This formal system has yet to displace Yemen's informal means of dispute resolution, traditional processes vital to the authority and income of tribal and religious figures. Government authorities are unable to protect judges from retaliation or intimidation by plaintiffs and defendants. In February 1993, for example, judges went on strike after an attack on the head of a local court in a town east of San'a. The government had failed to respond to a dozen prior incidents.

B. The Executive

Executive authority is constitutionally confused, divided between a Presidential Council and a Council of Ministers headed by the prime minister. A five-member Presidential Council is nominally elected by the Assembly (parliament), and elects from its number a president and vice president. The prime minister nominates his cabinet for approval by the president. Before the cabinet is installed, it must also receive a vote of confidence from parliament.

The cabinet, therefore, is in an ambiguous constitutional position as both an agent of the parliament (as in a parliamentary system) and an instrument of the Presidential Council and the president (as in a presidential system). Since parliament can withdraw confidence from the cabinet, the cabinet is a possible object of contention between the Council and the Parliament. At the moment, however, the cabinet serves at the pleasure of the Presidential Council, whose decisions must be made unanimously. Because the three parties represented on the council disagree so often, it is frequently deadlocked.

C. The Civilian Bureaucracy

A similar paralysis characterizes the civilian bureaucracy. Government posts are formally allocated among the three main political parties (the GPC, the YSP, and Islah) down to departmental directors, a level four grades below that of minister. Below this level, appointments result from patron-client relations within the parties of the ruling coalition. The bureaucracy cannot implement policy.

D. The Military

The military is not an integrated or coherent institution. Like all political organizations and government institutions in Yemen, it is a mixture, not a blend.

The militaries of North and South remain separate under their own command structures. The YSP, in usual Communist fashion, continues to exercise control over the South's officer corps and is loathe to surrender its power. The party is convinced that only the former PDRY army prevents the GPC and Islah from working together to pursue Northern interests at the expense of the South.

Some consensus formula might be applied to the military, thereby ensuring a balance of power in a unified institution. But the military's political centrality and command-and-control requirements make it extremely unlikely both sides would agree to such a formula. The Southern army continues to give the YSP a real trump card, for not only is it widely believed that this 27,000-man force is superior to the slightly larger Northern army, but some of its key units are stationed within striking distance of San'a.

In any case, factionalism would persist even if the two armies were merged. At the core of the North's army are professional soldiers appointed by and loyal to President Salih, and tribesmen of his Sanhan or closely allied tribes. The remainder of the army consists largely of tribesmen whose loyalty to the president is dubious.

Similarly, while the core of the Southern army is subordinate to YSP leadership, both officers and conscripts come from the Dhali, Awaliq, and other tribes. In some circumstances these loyalties will

conflict with or take precedence over commitments to the YSP. In sum, officers and soldiers have divided loyalties, only one of which is to the military and the central government.

D. Parliament

Many Yemenis assumed the ROY would be more democratic than either the YAR or the PDRY, both of which were military/party governments. Most anticipated that a freely elected parliament would assume greater importance in public life, constituting a check on the civilian bureaucracy and the military for the first time in modern history. Thus far, these hopes have been frustrated.

The Yemeni parliament suffers from a number of weaknesses:

- . The unwieldy size of the ruling coalition;
- . The absence of a viable opposition;
- . The imbalance of resources between parliament and the executive;
- . The lack of capacity in the parliament itself.

Three dominant political parties essentially carved up the 301-member parliament among themselves, leaving 12 seats for other parties and 47 for independents. Most of the latter were simply fellow travellers or close allies of one of the three major parties. Since the election, growing antagonisms among partners in the ruling coalition have prevented parliamentary agreement on any major issue, including completing the constitutional structure of unification.

The Yemeni parliament has become an arena where demands are made but compromises are not hammered out. Negotiations between GPC and YSP representatives—resulting in a signed document in Amman in February 1994—were conducted in an extra-parliamentary venue. Even were parliament not so adversely affected by growing antagonisms between Northern and Southern politicians, it would be difficult for it to operate effectively because it has so few resources. It lacks even the minimal infrastructure of most other Arab parliaments, and a high proportion of parliamentarians have no prior experience. Nevertheless, parliament remains a potent symbol of national unity and a potential arena for fruitful dialogue when the intensity of the current conflict abates.

E. Local Government

Local government suffers from problems of capacity, like the rest of the civilian executive branch. In addition, local government in North and South was never constituted by competitive, free, and fair elections. In the North the civilian bureaucracy functioned through Local Development Associations, created in the mid-1970s by the

centralizing government of President Ibrahim al Hamdi. These institutions controlled such elections as were held. In the South the single party system militated against elections until close to the end of the PDRY.

At present, elected local government has ceased to function pending agreement on which posts will be elected and which appointed. In the interim, parties in the ruling coalition are doling out governorships and local government posts to their members, making the entire structure administrative rather than participatory. Conflicts over the issue of appointments are exacerbating terrorism and even military confrontations between North and South. Northern opposition to the appointment of a new governor in Abyan Province, for example, led to severe fighting in February 1994.

Despite recent conflicts, Yemeni political elites remain hopeful that decentralizing power to local government will facilitate a general reduction in political tension. The document signed in Amman in early 1994 by the president and vice president calls for significant devolution of authority to subnational units of government.

F. Fiscal and Budgetary Weaknesses

The power to tax is as fundamental to government as maintaining order. In Yemen, state inability to raise revenue is both a cause and consequence of other weaknesses. Because parliament is divided, it cannot decide on tax laws. Because the executive branch is feeble, it cannot enforce the laws. Because revenues are scarce, resources to strengthen government are unavailable. And because there is no money, the government cannot meet day-to-day operating expenses, implement social programs, provide capital investment, or maintain infrastructure.

The lack of resources exacerbates gridlock, which itself blocks resource mobilization. Growing budget deficits undermine stability by threatening to derail at once unification, democratization, and development. Thus, while the

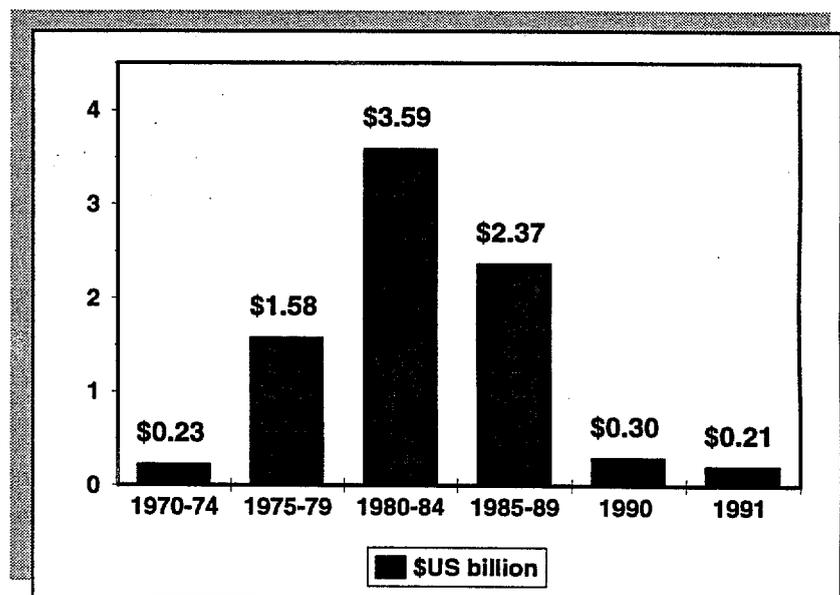


Figure 6: Public Sector Finance, Net Flows Source: World Bank

fiscal crisis has political origins, it also has negative political consequences.

Budgetary problems also arise from defense spending and wages and salaries for civil servants. Defense spending has fallen, representing 34.8 percent of expenditures in 1990, and 30 percent in 1991. In 1992 the military budget was cut by 12 percent, and the size of the armed forces was reduced by 12.5 percent. On the other hand, a steadily advancing percentage of the budget has been allocated to cover a bloated civil service. Its 400,000 employees account for 40 percent of the urban work force. At the time of unification, salaries consumed 29 percent of government expenditure in the North and 35 percent in the South. In 1992 salaries accounted for YR 32.7 billion of total expenditures of YR 58 billion, or 56 percent. Expenditures on new projects have been sacrificed: for every Riyal spent on a new project, more than seven were spent on the civil service.²

Origins of the ROY Fiscal Crisis

For over a generation, the main source of capital inflows has been worker remittances. These are notoriously difficult for governments to monitor, much less tax. Yemeni governments have tried to tap them indirectly through customs duties, which were the North's main source of revenue until a few years ago. However, flagrant smuggling and corruption have long undermined collection efforts. When remittances collapsed in the wake of the Gulf War, imports (and customs revenues) also fell. Imports in 1990/91 declined by 30 percent from 1989. A similar problem faced Southern customs revenues, which had constituted nearly one-third of revenues in the PDRY.

Taxation of locally produced goods has fared little better. Qat, whose cultivation is five times more profitable than that of any other crop, employs one million people, or 25 to 30 percent of the labor force. It generates annual revenues estimated in 1993 at 27 billion YR, equivalent to almost half of total government expenditures. The government is able to capture only some 2 billion YR of these revenues (some 7 percent of the total). With a weak government bureaucracy confronting a rural society of heavily armed mountaineers, taxation in Yemen has proved as difficult as it used to be in Eastern Kentucky.

Beginning in 1988/89, oil revenues replaced customs duties as the main source of revenue in the North. Profits from the Aden refinery had long been a mainstay of Southern public finance. In most countries, the oil industry provides a direct and politically low-cost source of central government money. Yemen's government is so weak, it has difficulty extracting oil rents directly. Instead of auctioning all large exploration blocks directly to foreign oil companies, the government subdivided some potential oil-bearing territory into small parcels. Yemeni investors acquired these parcels and then sold the rights to foreign companies; thus, a portion of revenues generated by the sale of oil exploration and production rights will accrue to private citizens rather than to government.

State failure to exert control over the entire oil sector also depressed the amount of cash generated from oil leases and slowed exploration and development. Foreign oil companies have found it difficult and costly to deal with private owners and in some cases, have foregone bidding for private concessions. Government weakness not only cuts the government's share of the pie, but also shrinks the size of the pie itself.

² Budgetary expenditures for new projects, YR 4.4 billion in 1992, was only 13 percent of the salary bill.

Despite an increasing salary bill, the government does not have enough money to elicit quality performance from its employees. In June 1993, teachers struck, protesting nonpayment of their salaries for three months. At the end of that month power was cut off to some governmental ministries and public sector companies because they had not paid their bills for more than a year.

SECTION V THE POLITICS OF CONSENSUS

A. Origins of Consensual Politics

Weak government is not new in Yemen. Society has always been far stronger than the state. In the highland areas of North and South, mountainous terrain, tribalism, and a paucity of natural resources has raised the costs and reduced the benefits of centralized control by any power, domestic or foreign. Coastal enclaves and highland urban centers remained subject to attack by highlanders for centuries. San'a itself was sacked by tribesmen within living memory (in 1948).

Terrain. Lowland areas offered few resources, including Tihama on the Red Sea and the Aden coast. Only the strategic position of Aden on the Suez-India route fostered British interest and occupation. While the occupation shaped the culture of the city of Aden, with important consequences for the history of the South, the rest of the country remained dominated by decentralized networks so typical of poor mountain societies.

Tribal and Popular Culture. While not all Yemenis are members of a tribe, all are affected by tribal political culture and its emphasis on building consensus. Until recently, weapons and topography have made it difficult to coerce anyone permanently. Tribal leaders lead not by command, but by building coalitions. Tribal politics entail endless discussion and debate, general fragmentation, and only occasional solidarity. Solidarity is negotiated: lineages, clans, and extended and nuclear families come together to form a single tribe intermittently and in response to specific situations.

Resolution of disputes also rests on consensus. The ultimate aim in administering justice is to obtain a consensus of concerned parties rather than to find a solution that is absolutely correct according to text or precedent. In an environment where the instruments of violence are highly decentralized, everything is subject to bargaining. Islamic law and tribal customs provide frameworks in which justice is negotiated, not declared. Law and custom provide benchmarks to guide these negotiations and resolve disputes.

Although *qat* has many negative consequences, one of the purposes of Yemen's culturally distinctive *qat* session is to build or maintain consensus. In a highly armed and lightly governed society, the risk of debilitating violence is great. One way to avert it is to create private and public space where encounters are governed by codes of conduct that elicit good cheer and discussion of problems in a friendly atmosphere.

Popular attitudes, born of culture and history, also come into play. Most Yemenis extol the virtues of their "primitive" society as more effective in defending democratic rights than supposedly more modern Arab countries. As a young female doctor in San'a told a Western reporter during the 1993 election campaign, "Can you imagine if the government in San'a had been able to control the whole country? We would have had complete dictatorship. But instead the tribes were part of consensus building."³

External Pressures. Yemeni civil society, especially its tribal elements, has remained strong enough to resist centralized control because of topography and the balance of resources, but also external pressures. Saudi Arabia, for example, long supported the northern tribes against the central government in San'a, and the North against the South. Since unification and the Gulf War, Saudi Arabia and Kuwait are rumored to be supporting the South to weaken the ROY. In any event these and other Arab countries appeared to have been less than supportive of the February 1994 reconciliation between North and South.

The YAR has tried in the past to copy two Arab models of the strong, authoritarian state: that of Nasser's Egypt and of rentier states like Saudi Arabia. The results were pale imitations at best. In neither case did the state succeed in consolidating control to the degree achieved in other Arab republics or the oil monarchies. Unable to impose its will through coherent, centralized structures or the power of the purse, government in Yemen has typically sought societal consensus for its policies, lest they be rejected outright.

Political Pressures. Unification rested on the understanding that the ROY would be governed by consensus. The constitution provided the legal underpinnings for consensual government, and major decisions required the agreement of all those who had engineered the union. Many assumed, however, that consensual government would ultimately give way to majority rule. Total consensus would no longer be a prerequisite for making public policies, and no individual or faction would exercise absolute veto power. Thus far, that transformation has not occurred.

The transformation to majority rule implies a willingness to cede power to government institutions, even though they may make decisions and take actions negatively affecting some people's interests. Most political elites are not prepared to cede their veto power and submit to a unified, majoritarian system. While consensual politics rests on voluntarism, "building institutions requires a degree of coercion," as Vice President Ali Salim al-Bidh has put it (FBIS, September 17, 1993).

³ Cited in Deborah Pugh, "Democracy and Tribalism in the Land of Sheba," *Christian Science Monitor*, May 19, 1993.

In the wake of the 1993 parliamentary election politicians from the North sought to promote an amendment that would strip the Presidential Council of its power to elect the president and vice president. According to the amendment, they would be chosen instead by general election. Southern politicians, fearful that transferring power from the Presidential Council to the president would reduce the power of the South within the ROY, successfully opposed the proposal.

Political elites in both North and South have grievances. Political elites in the North resent Southern demands for government and political positions out of proportion to the YSP share of the vote or parliamentary seats, or to the South's percentage of the population (20 to 25 percent).

YSP leadership resents the post-election inclusion of the Islamist-tribalist Islah Party in the ruling coalition, partly because it reduces YSP's share of power, partly because of ideological antagonisms, and partly because the YSP believes that Islah and the GPC have a tacit alliance. The YSP steadfastly rejects constitutional amendments proposed by the GPC to create a unified government, fearful that strengthening central government power could ultimately marginalize the YSP and allow a GPC-Islah alliance to assume direct control over the South.

Increasingly bitter turf battles have broken out. Prerogatives and jurisdictions are jealously guarded. The president and vice president have been unable to work out a modus vivendi regarding official representation of the ROY; indeed the vice president has been absent from San'a since August 1993. A major rupture ensued after a meeting of the Yemeni and U.S. vice presidents when the former visited the United States for medical treatment. In October 1993, Sultan Qabus of Oman cut short his state visit because the GPC and YSP could not resolve protocol issues over representation. In February of this year, an agreement was signed by the president and vice president which appeared to meet most YSP demands, yet the vice president still has not returned to San'a.

Growing popular doubts about the benefits of unification reinforce elite resistance to change. At this level Yemeni and German unification are similar. In the South, as in East Germany, many feel their standard of living has improved little if at all. They resent aggressive Northerners who have taken advantage of cheap real estate and subsidized consumer goods. With promising reports of future oil production in the Hadramaut many Southerners have come to believe that the South would be economically better off if it were an autonomous or completely independent region. In North Yemen, on the other hand, as in West Germany, there is much grumbling about government revenues going to support the South, especially to Southern bureaucrats who have been incorporated in the ROY's executive administration.

Yemen and Lebanon Compared

The Yemeni government resembles another weak Arab state, that of Lebanon, in several key respects:

- Government is perceived primarily as a source of spoils rather than as a collection of legitimate institutions for making and administering public policy.*
- Governmental resources, and especially employment opportunities, are allocated on the basis of partisan considerations rather than merit.*
- The decision-making process is sclerotic and unwieldy because all decisions require the consensus of all major partisan interests represented in government.*
- Government operates in a permanent state of crisis, for almost any issue carries the potential for collapse.*
- Long-range planning and economically rational resource allocations are improbable because the primary, if not exclusive concern of government, is maintaining consensus.*

maximum number of cabinet portfolios and civil service positions for his own party.

Balancing posts and privileges costs time. One of the reasons for the delay in parliamentary elections, originally scheduled for November 1992, was protracted pre-election bargaining among the GPC, YSP, and Islah. The essential purpose of these negotiations was to ensure that each of the three major parties obtained what it thought was a reasonable and fair share of parliamentary seats.

Post-election bargaining focussed on cabinet portfolios, which had to be divided with reference to the cabinet as a whole, and also to specific functional areas. As a result, almost two months elapsed between the elections and the final formation of the cabinet. The latter was delayed while Islah held out for six (as opposed to four) ministries as part of the price for joining the ruling coalition. This concession was finally made possible by an agreement to expand the cabinet to 31 ministers.

Even independents were given cabinet representation. The YSP received the position of prime minister to counterbalance GPC control

B. Balancing Posts and Privileges

Consensual government demands an intricate balancing of power and resources among political actors. One way to achieve balance is to allocate positions by quota, and at the time of unification in May 1990, leaders of the North and South reached agreement on a quota system. It was to be operative only during the transitional period leading up to elections, but was later broadened to accommodate Islah. The Islah leader, Shaykh Abdullah bin Husain al Ahmar, condemned the quota system, while fighting a dogged battle to ensure the

of the presidency. The office of the prime minister was carved up among the three coalition parties and the independents. Each of the coalition parties was awarded one deputy premiership, as were the independents, represented by Ba'th Party leader Mujahid Abu Shawarib.

Cabinet posts in key functional areas were carefully balanced. Security was divided between the YSP, whose Haitham Qassem Taher received the Defense portfolio, and the GPC's Yahya Muhammad al Mutawakkil, who was named minister of Interior. Even Islah was provided a small security foothold through the appointment of Muhammad Hassan Dammaj as minister of Local Administration.

The Oil and Mineral Resources portfolio went to the YSP's Salih Abu Bakr Bin Hassainoun, Finance went to Alawi Salih al Salami of the GPC, and Supply and Trade was awarded to Abd al Rahman Abd al Qadir Ba Fadhil of Islah. Muhammad Salim Ba Sindwa, a southerner who served as the North's United Nations ambassador prior to the union, was named foreign minister, succeeding Abd al Karim al Iryani, a prominent figure more closely associated with the North Yemeni political elite.

All high-ranking positions in the civil service were awarded according to a strict and balanced quota system. Ministries headed by a member of the GPC have either a member of the YSP or Islah as their vice ministers, and vice versa. The number of vice ministers, deputy ministers, and vice deputy ministers—all of them political appointees—was considerably expanded to provide patronage and ensure balance for political parties. Even the positions of general director and director, nominally career civil service positions immediately below the vice deputy ministers, were incorporated into the quota-based political spoils system.

The principle of balance also extends to political demands. After Islah was included in the cabinet in the summer of 1993, Ali Salim al Bidh issued an 18-point list of demands to be met before he would return to San'a as vice president. In response, President Salih and the GPC compiled a 19-point list of their own. Islah then introduced a set of demands, whereupon the coalition of five opposition parties presented counterdemands. Balance remains an important objective in Yemen's consensual and conflictual political interactions.

C. Impact on Government of Consensual Politics

The politics of consensus undermines the state's ability to govern. It leads to poor and untimely decision making. Choices are made on the basis of the parochial interests of participants, not on wider issues of economic or administrative rationality, or any other definition of public interest. While all governments suffer from this difficulty to some extent, consensual government magnifies the problem by imposing inordinate delays on decision making, vitiating accountability, and favoring the particular over the public interest.

C1. Paralyzing Delays

The search for consensus is threatening to bring paralysis. Essential elements in the unification agreements have not been completed. Constitutional amendments and basic legislation, including the creation of elected local government, have not been passed. A disagreement between the YSP and GPC over the level of local government elections (governor versus local councils) has ostensibly prevented the establishment of an appropriate legal structure. Some observers doubt either party really wants effective local elections.

Merger of governmental institutions, of which the most vital is the military, has stalled. The chief of staff, a North Yemeni, resigned after the elections when the armed forces were not unified as promised. Similarly, there remain two national air carriers, each obviously pursuing what it considers to be its own long-term strategy. Of greatest political importance is the fact that the official government political parties of the old North and South, the GPC and YSP, remain separate despite the announced intention to merge. The prospects for their eventual union dim with the passage of time.

C2. The Absence of Accountability

One of the consequences of awarding posts on a quota system is that areas of responsibility are so protected, they are virtually beyond the law. The post becomes the "property" of the organization to which it is awarded. The temptation for corruption is high. Public concern with corruption has increased, and its political basis is discussed with increasing openness. In August 1993, a journalist who interviewed the Minister of Interior noted "there are centers of power in Yemen to which the Interior Ministry cannot apply the law. . . and that is why there has been no law and order." (FBIS, 13 August 1993).

President Salih took up this issue in an interview two months later. He observed that "the corrupt have used their parties as a protective umbrella. So, if a corrupt person is a member of the GPC, the YSP, or any other party and is made accountable, that would be seen as a move against one party in favor of another." When asked if he had a plan to fight corruption, he responded: "We have a plan. . . but it will not be effective unless the political will is unified and powers and responsibilities clearly defined." (FBIS, 12 October 1993).

The politics of consensus permits authorities to reward but not punish. In the late summer of 1993 a number of promotions in the army were condemned by the chief of staff as "indiscriminate," and the issue became a subject of popular debate. President Salih ultimately clarified the matter in an interview in mid-October, stating that a political decision had been reached to reinstate all those dismissed from the army for political reasons. In the event they were not only reinstated, but were also credited for the intervening period with

pay and promotions. According to the President, "some felt it was unfair that those who had been out of the service for a period of time were receiving equal salaries to themselves." The matter was resolved by promoting those who had remained.

C3. Neglect of the Public Interest: The Case of Oil Leases

The issue of security in the oil fields and exploration areas demonstrates how the need for balance stands in the way of national interests. The government failed to respond to a rising tide of extortionary tribal violence directed at oil companies and their personnel. Part of the problem was that the government could not agree on which of its instruments of coercion should assume responsibility for security in these economically vital areas. Possible candidates included the military, security forces under the Ministry of Interior, or special units under the Ministry of Oil and Mineral Resources. The choice of any one of them had profound implications for the political parties in the coalition and their possible control over the oil fields and the tribes where they are located.

In the end, only an announcement by Total that it would suspend drilling operations spurred the government into action. In the tradition of the politics of consensus a committee was formed, composed of the President (GPC), the Prime Minister (YSP), the Minister of Oil and Mineral Affairs (YSP), the Interior Minister (GPC), and the Minister of Defense (YSP). The committee ultimately decided in late September 1993 to set up a special force to protect foreign oil companies. The force would report to the committee and thereby ensure that the two key members of the coalition would share control over it. The political objective of maintaining consensus was achieved, but violence apparently was not contained. In early November, armed tribesmen demanding jobs and money again impeded work at sites operated by several international oil companies.

D. Summary

Consensual politics may be adequate for underdeveloped systems in which government performs few functions and confronts minimal challenges. In Yemen, moreover, consensual politics may have facilitated the transition to a unified ROY. At this juncture, however, the government is too complex, overly enmeshed in resource allocation, and faced with major development issues. Consensus politics has become unworkable, yet the political and institutional prerequisites for majoritarian rule are not in place. The ROY is challenged to overcome its internal conflicts, while allowing institutionalized majority rule to emerge. Representative fora may facilitate this process.

SECTION VI
POTENTIAL FOR TRANSFORMATION TO MAJORITY RULE

A. The Issue

Today, there is a pressing need for a competent, modern, central government in Yemen. The culture of tribal consensus and the historical tradition of consensual rather than majoritarian rule undermines efforts to resolve economic and social problems and move toward forging sustainable democracy.

Every action taken by a consensual government is designed to bolster the coalition of the whole, allocating to each major political actor a portion of available resources. As a result, since unification, maintaining the coalition has consumed most of the government's limited resources. Unsolved problems are mounting at an alarming rate and now threaten the union itself.

What is the likelihood that majority rule will ultimately supplant government by consensus? To assess this potential we must specify the major political actors. Let us first look at social groups, and then turn to political organizations, to assess the possibilities for new political coalitions to institutionalize majority rule.

B. Players in the Game

B1. Social Groups

Are there social groups who believe their interests are threatened by the current political gridlock and have the cohesion and resources to act collectively? Several possible candidates in both urban and rural Yemen suggest themselves. Such social groups may be economically based, like businessmen, civil servants, or workers, or they may consist of other types of associational categories, such as tribes, religious brotherhoods, or groupings of individuals with shared ideologies.

Social groups are more fluid and flexible in transitional societies than they are in either modern, industrialized societies, where economic relationships are more determinant, or in more traditional societies, where ascriptive identities dominate. Individuals may be members of more than one social group, and the one with which they most strongly identify may vary according to circumstances. A member of the Hashad tribal confederation, for example, may simultaneously be a tribesman, peasant, small scale merchant, and member of the armed forces. The social group which commands his loyalty will depend on the immediate situation and on his personal orientations.

Businessmen. Successful businesspersons in Yemen are not drawn exclusively from one particular region or group. To some extent, there has been a historical division of labor between Zaydis and Shafi'is in North Yemen. Zaydis dominated government under the Imamate, while urban dwelling Shafi'is in San'a and elsewhere asserted themselves as merchants, moneylenders, manufacturers, and professionals.

Government and business were the separate preserves of the two dominant religious groups. Since the Yemeni state has not been as central to the national economy as have been most other Arab states, access to the state has not (until relatively recently) been the primary source of achieving wealth in Yemen. Yemeni businesspeople, out of necessity, have been entrepreneurs, not rent seekers.

Partitioning of state and economy between Zaydis and Shafi'is began to erode as state resources grew, especially after oil exportation began in 1987. In a conscious effort to wean Zaydi tribal leaders from their traditional dependence on Saudi subventions, the government of the North provided them with lucrative business opportunities, contributing to the growth of a Zaydi business class, which has taken its place alongside its Shafi'i counterpart. The relative heterogeneity of the Yemeni business community reflects the comparative diffusion of political and economic power within the country.

Big business in Yemen is segmented. Because transportation is difficult, security precarious, and government policy erratic, risks are high. Businesspeople have behaved rationally and diversified their activities. Big businesspersons typically have a broad range of enterprises in widely disparate economic areas, thereby reducing their risks. Such a strategy protects businesspersons from disaster, but also discourages concentrated capital investment and economies of scale. The benefits that might accrue from integrating related activities are also lost.

Yemeni businesspersons are divided by religious sect, by orientation toward government versus orientation toward the market, by regionalism, and by diversification of their economic activities. These divisions make it very difficult for them to act as a coherent political force. A Chamber of Commerce exists, but it is very weak. Individual businesspersons seek personal solutions to business problems through their own contacts, which are typically based on regional connections. Businesspersons do have influence in Yemen, but as individuals, not as members of an organized social force that lobbies government in a systematic and organized manner.

Urban Middle Classes. The urban middle classes include medium and high-ranking civil servants, public and private-sector managers, professionals and technocrats, and moderately successful, educated businesspersons. In the early 1990s these classes lack the coherence and wealth to play a prominent political role. Public versus private

sector allegiances, persisting regional identities, and membership in rival patron-client networks dissipate urban middle class cohesiveness. Patron-client networks are particularly debilitating; when rewards are based on personal connections rather than merit, professional skills are devalued.

The threat of political turmoil coupled with economic stagnation further devalue urban middle class skills. The economy is not modernizing rapidly enough to create jobs for university graduates, causing them to pursue opportunities outside Yemen, or to seek the patronage and protection of members of more powerful social forces.

Thus, the urban middle class provides support for contending political actors but is not itself an independent actor in the Yemeni political economy. The sole exception might be found among civil servants, who might act politically to block economic reform; indeed, the public sector constitutes 40 percent of all urban employment.

Urban Working Classes. As in many developing countries, the Yemeni urban working class is split into the formal and informal sectors. Urban workers in the formal sector in both northern and southern parts of the ROY comprise a coherent and influential political force.

First, skilled labor has benefited from labor market conditions. For many years demand for skilled labor has outstripped supply. Skilled Yemenis have found employment elsewhere on the Arabian Peninsula, and skilled workers are in comparatively short supply in any case. Second, collective action is easier for the urban working class, because there are relatively few formal-sector workers. Manufacturing industry accounts for no more than 4 percent of employment.

Finally, formal-sector labor is well organized to defend its position, partly because it is so precarious. Unemployment is roughly 25 percent, and long-term prospects are poor: the supply of workers, driven by exploding population, now far outruns the demand. Those in the comparatively well-paid formal sector defend their jobs tooth and nail. With strong connections between these workers and the YSP, and to some extent the GPC, they are able to mount a defense at both a general political level, and at the level of specific enterprises.

In the informal sector the picture is radically different. There, neither the labor market nor the legal/economic structure of employment favors organization of workers. A huge oversupply of unskilled and partially skilled workers ensures the predominance of employers over labor. Employment in small, unregulated enterprises also undermines labor organization.

Thus, the urban working class is politically divided between a small, relatively privileged, and politically connected formal segment, and a sprawling, unorganized, and amorphous informal segment.

The formal segment is "part of the system," playing the political game at the center to enhance its position. The informal segment is outside the system, with few if any means of entering. The political and economic resources of the formal sector are the traditional tools of labor unions in industrialized societies. Workers in the informal sector have the minimal resources of intermittent and more-or-less spontaneous violence.

Farmers. About 60 percent of the labor force works in agriculture. Most are small farmers, and more than half own less than one hectare of land. Adverse ecological and economic circumstances have prompted Yemeni farmers to adopt two main survival strategies. First, they have shifted from traditional crops such as cotton, coffee, and coarse grains, to high-value cash crops, including fruits and vegetables, fodder, and qat. Qat, especially, has greatly improved farmers' cash return per acre, whatever its health implications. Second, farmers have reallocated household labor. Males seek employment in nonagricultural sectors, either in Yemen or abroad, while females and children perform additional agricultural tasks.

These responses to adverse circumstances succeeded reasonably well in maintaining and, no doubt in many cases, enhancing economic returns to farmers. Until the Gulf War, remittances were widely shared throughout the country, and the relative prosperity of farmers certainly contributed to political stability. Although farmers did not become wealthy, and there was (and is) much rural-urban migration, the condition of those remaining on the land was in many senses superior to that of urban Yemenis. This fact is reflected in a higher incidence of political violence in urban than in rural areas. The collapse of remittances has, however, undermined the second survival strategy, and rural poverty in Yemen is now rising. IFAD estimates that 30 percent of the rural population is below the poverty line, while 60 to 75 percent are just above it.

The growth of rural poverty has few direct political implications, however. Because of their large numbers and geographical isolation, farmers are notoriously difficult to organize. Yemeni farmers who are organized for collective action are members of tribes, which represent the sole organized expression of their interests. Other farmers are basically politically disenfranchised. Local development associations and arms of the mobilization party of South Yemen, which provided organizational bases for farmers in the 1970s and 1980s, have all but disappeared since the late 1980s.

Tribes. The north of North Yemen, and some adjacent areas of South Yemen, are dominated by tribes. Unlike tribes elsewhere on the Arabian Peninsula, Yemeni tribes have occupied more or less the same territory for centuries. The overlap of tribalism and territorialism reinforces the strength and longevity of tribes. A Yemeni tribesman who moves from his tribal domain into that of another tribe loses the

protection of his tribe, a potentially very risky step, hence one not frequently taken. A tribal shaykh wishing to travel from the north to the capital and having to pass through the domains of several other tribes, either does so surreptitiously at night, or ensures that he has negotiated a safe passage, lest that trip be his last.

Rights surrounding passage through tribal territory are well established and strictly enforced. In general these rights block governmental control. In August 1993, for example, tribes of al-Jawf governorate refused to shelter 7 prison escapees associated with the Jihad organization accused of assassinating southern political figures. But the tribes would neither surrender the escapees to the government, nor prevent their passage through tribal domains, which is the customary treatment provided to people running away from the central authorities. International oil companies have been made painfully aware of just how rigorously tribes defend what they perceive to be their territorial rights.

Tribes have three basic resources:

- They control territory.
- They command the loyalty of most of their members.
- They are armed.

Tribes as a whole outgun the armies of both North and South, if one counts the number of riflemen. The Hashad tribal confederation alone is reputed to dispose of 50,000 armed men, compared to the North Yemeni army of some 34,000, or the South Yemeni military of some 27,000.

Tribes provide ready-made political organizations for their leaders. In recognition of the fact that tribal leadership bestows political importance, Yemeni governments have long made it a practice to allocate patronage to tribal shaykhs, many of whom have become wealthy businessmen as a consequence.

Claims to tribal leadership are based on a mix of criteria, of which the ability to provide resources is the most important. Politically ambitious tribal shaykhs, therefore, have to ensure a flow of resources to their tribe, both for the maintenance of its solidarity and to ensure their preeminence. The master strategist of tribal leadership is Shaykh Abdullah bin Hussein al Ahmar, paramount shaykh of the Hashad confederation. Like his ancestors he has utilized his resources as tribal leader to win government support, and in turn used that support to expand his influence in the tribal confederation.

Intertribal antagonisms weaken the tribes' challenge to the central government. Intertribal politics are characterized by alternating conflicts and coalitions, which the central government tries to manipulate. For example, since unification the YSP has courted the Bakil tribal confederation as a counterweight to the Hashad, the Bakil's

traditional rival. The party hoped the Bakil would make inroads into election support for the GPC (led by President Salih of the Sanhan tribe of the Hashad confederation) and Islah (led by Shaykh Abdullah al Ahmar).

In the event the Bakil could not substantially diminish the combined strength of these two organizations, both of which depend on Hashad support. If the GPC-Islah alliance breaks down, divisions within the Hashad confederation will increase, and the Bakil's power would increase accordingly. The appeal of the Bakil to opponents of the GPC and Islah, possibly including the YSP, would be greatly enhanced. The mixture of national and tribal politics makes for strange bedfellows.

B2. Interest Groups

Nongovernmental political organizations in Yemen are notable for their weakness compared to either traditional groupings, such as tribes, or the institutions of the state, such as the military or the bureaucracy. The only exception has been the ruling party of South Yemen, which had a more or less continuous existence from independence in 1967 until it became the YSP shortly before unification. Voluntary political organizations are sporadic and short-lived. Sandwiched between government and traditional allegiances, voluntarism has had little political space in which to operate.

The outpouring of political activity leading up to the 1993 parliamentary elections initially appeared to herald a fundamental departure from a history of weak political organizations. Many voluntary associations sprang into existence, each trumpeting demands for more freedom and providing arenas for the exercise of new freedoms of speech and assembly.

But this springtime of frenetic activity was not followed by steady organizational growth. The university clubs, voluntary associations dedicated to getting out the vote, neighborhood gatherings, and so on, have gradually disappeared as the elections recede into history and politics as usual returns. Compared to Egypt, with its hundreds of private voluntary associations representing all manner of different categories of individuals, Yemen has few PVOs.

The organized interest groups that do exist generally are not voluntaristic; rather, membership is a prerequisite for practicing a profession or business. The Association of Judges and Prosecutors, for example, founded in 1991, is one such organization, as are chambers of commerce. Even these quasi-mandatory organizations are fairly few in number compared to other Arab republics, where associations of businesspersons and professionals exist by the scores. Yemen, in short, lacks a political infrastructure of voluntaristic and institutional interest groups through which individuals may articulate their policy preferences.

B3. Political Parties

The General Peoples' Congress (GPC). Most Yemenis support particular political parties because they belong to a tribe, work for a specific institution, or owe loyalty to an individual. The General Peoples' Congress, or GPC, is based on the former ruling coalition of North Yemen. The core of the coalition consisted of state institutions, selected tribes—especially from the Hashad confederation—and successful businesspersons. The principal supporters of the GPC, therefore, are bureaucrats, military officers, employees of the public sector, local notables, successful businesspersons, and members of President Ali Abdullah Salih's Sanhan tribe and affiliated tribes. A prominent example of GPC leadership is Yahya al Mutawakkil. A career internal security figure, he is head of the party's Political Department and was appointed Minister of Interior following the election.

The GPC is a government-based patronage party. It is better thought of as a loose coalition of interests with access to the state, rather than as a true political party. Were it somehow to lose governmental power, it would probably disappear. Some 10 to 20 percent of its 123 parliamentary deputies are claimed to be supporters of Islah flying the GPC flag of convenience. The party's top leaders are all high-ranking government officials. Its president is ROY President Ali Abdullah Salih. Abd al Aziz Abd al Ghani, the party's secretary general, is a member of the Presidential Council.

Yemeni Socialist Party (YSP). The Yemeni Socialist Party, or YSP, is the Southern equivalent of the GPC. It traces its origins to a communist party born of the national liberation struggle; but long years in power, the demise of global communism, and the underlying traditional social structure have weakened ideological purity and organizational cohesiveness. Remnants of the Leninist organizational tradition persist, in the form of close relationships between the YSP on the one hand, and labor unions and the military on the other. At heart, though, the YSP has also become a patronage party reinforced by ties to specific tribes.

Although the YSP is ideologically and organizationally slightly more coherent than the GPC, it is at least as fragile an entity as its northern counterpart, for three reasons. The southern Yemeni economy is very weak, the wounds of the fratricidal civil war of 1986 have yet to heal, and southern society is split by the radically different conditions in Aden and the rest of the south.

Because of internal divisions the YSP has shied away from holding a party conference since unification. When a political bureau meeting was called in the fall of 1993, 11 members, almost half the bureau's total membership, refused to attend. U.S. election monitors called its grass roots support "tenuous at best." The party has no future independent of control of the state, so it must hang on to

power at all costs, possibly including the break-up of the union. The two leading figures in the party, Ali Salim al Bidh and Salim Salih, are both members of the Presidential Council. It won 56 seats in the 1993 election.

Yemeni Reform Party, or Islah. The third member of the coalition formed in the wake of the 1993 elections, the Yemeni Reform Party, or Islah, is itself a tripartite coalition. The dominant component is comprised of the personal and tribal followings of Shaykh Abdullah bin Hussein al Ahmar, who brings to Islah the bulk of the **Hashad tribal confederation**, hence much of the north of North Yemen. Shaykh Abdullah was elected speaker of the parliament after the 1993 election, which not only gives him control of the entire administrative structure of that body, but also places him in the line of succession to presidential power if the Presidential Council is immobilized, as it nearly was in October 1993.

The second component of Islah is the **Muslim Brotherhood**. Although the Yemeni Brotherhood is not as strong or coherent as its namesake in some other Arab countries, it is a genuinely voluntaristic political organization. In the 1988 parliament, for example, when the Brotherhood laid claim to about a quarter of the seats, 96 percent of deputies endorsed President Salih and his program, indicating that the Brotherhood lacked the strength and coherence to act as an opposition. At present it disposes of fewer political resources than either the GPC or YSP, which control governmental institutions, or Shaykh Abdullah, who relies on tribal power.

In joining a coalition with Shaykh Abdullah, who, like his tribal followers is a good Muslim, but by no means a Muslim revivalist, the Muslim Brotherhood sought a temporary political ally, not an ideological soul mate. The Muslim Brotherhood represents the interests not of marginalized social strata, but of civil servants, teachers, businesspersons, and Islamic scholars and functionaries. Its ideology is Islamic reformist, which means that its primary concern is the application of Islamic law. It is supportive of free enterprise and hostile to the public sector. It is not anti-democratic, but the process of government is less important to its members than is public policy, which they want to be in accordance with Islamic principles. The Brotherhood's leader is a prominent political figure, Abd al Majid al Zindani, a Zaydi from Hujairah.

A third and relatively minor member of the Islah coalition is the more radical, Wahhabi wing of the Muslim Brotherhood, also known as the **Salafiin**. The Salafiin endorse an even stricter interpretation of Islamic law than the mainstream Muslim Brotherhood, and are less concerned about the means of establishing Islamic government. Their commitment to democracy is in doubt, as they consider pluralism to be inconsistent with Islamic principles. The Salafiin's principal resource is a network of schools, in predominantly rural areas poorly

served by the government's educational system. From these schools the movement has recruited members and to them it has dispatched cadres to mobilize yet more youths and supporters.

Political voluntarism is thus to be found in the two Islamist components of Islah, but these are subordinate to Shaykh Abdullah and his tribal power base. Islah is a coalition of convenience; through its Islamist elements, Shaykh Abdullah can claim to represent something more than just Hashad interests and the north of the North. The two junior partners also provide the Islah coalition with educated and skilled elements, many recruited directly from San'a University into the government. Islah's candidates for parliament were generally considered better educated and equipped to serve as parliamentarians than those of either the GPC or YSP. Islah's ministers enjoy a reputation for competence that is the envy of most GPC and YSP ministers; Islah members of cabinet were the first to present their ministerial plans in the summer of 1993.

Islah also enjoys a reputation as being less corrupt than the other ruling coalition parties. For their part, the Muslim Brothers and the Salafiin derive benefits from Shaykh Abdullah's impressive tribal power base, not the least of which include shares of the 62 parliamentary seats, 6 cabinet portfolios, and 38 vice and deputy ministerial positions Islah has garnered.

Although prone to fragmentation, Islah is the most dynamic of the three major political parties and possesses the greatest non-state-based political resources. These, paradoxically, are the modern organizations of the Brotherhood and the Salafiin, and the traditional, tribal support provided by Shaykh Abdullah. The latter is the real key to Islah's power—a key with yet greater potential. Shaykh Abdullah's ancestors were important "king makers" in Yemen for generations, so he possesses considerable traditional political legitimacy. Islah gained more seats than the YSP in the 1993 elections, and claims the support of some 17 independent MPs. If it holds together, it has the potential to become the country's dominant political party.

Opposition Political Parties. There are two kinds of opposition political parties in Yemen. First and most numerous, although weakest, are small coteries of individuals who aspire to political prominence. More than 30 such "parties" were created during the parliamentary election campaign of 1992-93. Most have had a fleeting existence and no lasting impact on national political life. Many, in fact, were created by the GPC and YSP to drain votes and support away from stronger opponents. Independents, many of whom headed these partylets, won 47 seats in the 1993 parliamentary elections.

Other opposition parties more closely approximate the textbook prototype: they are identified with a particular political tendency, have some organizational structure, and possess the potential to

transcend the personal interests and outlive the political career of a single prominent figure. Secular leftist parties are the most numerous. The **Unionist Bloc**, for example, led by Omar al Gawi, split from the YSP, which it accused of abandoning its socialist ideology.

There also are **pro-Syrian and pro-Iraqi Ba'thist parties**, of which the latter is far more influential, polling the highest number of votes of any opposition party in the 1993 election (7 seats). Its leader, Shaykh Mujahid Abu Shawarib, the brother-in-law of Shaykh Abdullah al Ahmar, is virtually a Yemeni renaissance man, combining the roles of Hashad tribal shaykh, party organizer and ideologue, wealthy businessman, and, since June 1993, deputy premier.

A cluster of at least five Nasserist parties vie for the support of residual Arab nationalist sentiment. The **Democratic Nasserist Party and the Nasserist Corrective Party** are closely affiliated with the GPC and YSP, respectively, whose intention is to fragment Nasserist forces. The major Nasserist party is the **Nasserist Popular Unionist Organization**. It won one seat in the 1993 elections, as did the Nasserist Corrective Party.

Further to the right on the political spectrum is the moderate Islamist **al Haq (Justice)**. It is led by prominent Zaydis, including Muhammad Bin Muhammad al Mansur and Ahmad Muhammad al Shami, and has some support among Zaydi clerics. It is more committed to democracy than either the Muslim Brotherhood or the Salafiin. Thought to have connections to the YSP, al Haq won two seats in the 1993 elections.

The League of the Sons of Yemen is a conservative, secular party. Comprised primarily of individuals who fought the British in South Yemen and were forced into exile by the one-party regime that assumed power, its candidates, including some of the most prestigious shaykhs of Shabwa and Hadramaut, were overwhelmed at the polls by the YSP.

In early August 1993, five opposition parties, ranging across the political spectrum from al Haq to al Gawi's Unionist Bloc, formed the National Opposition Bloc to counterbalance the ruling coalition and check any moves to restrict democratic freedoms. The Bloc announced it would create a network of committees throughout the ROY and coordinate efforts in parliament. The elections thus paved the way for the formation of government and opposition, although both are patchwork coalitions of disparate political forces. The fragile alliances by which they are linked are unlikely to be able to withstand strong pressures.

C. Analysis of the Forces for Change

In summary, those who benefit from the current political system are far better organized than those who might be better off with change. Business elites and farmers, who might be expected to benefit from

economic reform, are divided and politically ineffectual. The mass of the urban and rural population, who would benefit from a reorientation of government spending toward health and education, are even more fragmented.

The best organized social groups—formal-sector labor, tribes, and (perhaps) civil servants—are precisely the groups that benefit from the current situation. Tribalism, the bureaucracy, and the military overshadow the weak political infrastructure of parties and interest groups. Two of the three parties in the ruling coalition draw on governmental institutions as their primary basis of support, while the other rests atop the strongest tribal confederation in Yemen.

Opposition parties, denied governmental resources, serve as fronts for traditional social forces or ruling parties, or they are confined to the political margins. Political parties and interest groups based on voluntaristic activity that transcends parochial interests or relations to governmental institutions hardly exist. The forces for change are very weak, while those of the status quo are strong. But since the current system is not sustainable, the possibility of breakdown cannot be ruled out.

Alternatively, precisely because the threat of collapse is both palpable and widely feared, and also because Yemenis are highly adept at conflict resolution, compromises may well be reached to preserve the union and lay the groundwork for economic and political development, including the foundations of government by majority rule.

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January 27, 1994

Mr. Roberto Figueredo,
Agency for International Development

Dr. Robert Springborg
Democratic Institutions Support Project

Dear Colleagues:

Attached herewith are my comments on the draft report (dated
December 9, 1993) entitled "The Republic of Yemen: The Political Economy
of a Weak Government."

Sincerely,

Michael C. Hudson
Professor of International Relations and Government
Self Ghobash Professor of Arab Studies

NOTES:

- *Excellent mix of pertinent ec/pol data.
- *Hardheaded interpretation--too much so?
- *Ethnocentric on the dem model?
- *Good oil and water metaphor on unity.
- *Imp to stress elites and elite conflict (cf Al-Aini interview)
- *Imp to discuss bloated civil service, p 13
- *Good on tribal politics, 13-14
- *Beware possible cultural stereotyping p 14
- *Good analogy to E/W German unification
- *Good analogy to Leb
- *ROY's preeminent challenge: from consensus to majoritarian-based action
- *Mention the latest formula to resolve the latest crisis
- *"This political system is not sustainable." p 21 -- too categorical?
- *Paradox: p. 32. Strong status quo forces, yet system is not sustainable.

Comments on

"The Republic of Yemen: The Political Economy of a Weak Government"
(Draft of December 9, 1993)

Michael C. Hudson
Georgetown University
January 27, 1994

This report is the best recent analysis of Yemeni politics that I have seen. Its strengths are the following: 1) lucidity of presentation; 2) fruitful use of economic and social data; 3) comprehensiveness; and 4) a determinedly unsentimental outlook. The analysis is toughminded and pessimistic; no liberal wishful thinking is allowed. The authors' eclectic use of political science approaches strengthens, on the whole, the analysis: a mixture of political economy, political culture, and structural foci are combined to produce fairly ominous short-term and long-term conclusions. I will comment first on the overall argument; then I will make some observations on particular sections of the report.

Overall Comments

The authors do not mince words: "This political system is not sustainable" (p. 21). This bleak assessment is most compellingly sustained on political economy grounds. Oil has not provided the momentum for Yemen to break out of its deep poverty and its traditional politics. The collapse of remittances after the Gulf War have only made the pressures more acute. The report's discussion of inflation, job creation, the "Dutch disease," and demographic trends holds out little prospect for creation of a sufficiently benign climate for democratic politics to survive. Equally impressive is their marshalling of information on the structural inadequacy of the political system. Whether it is the inability to tax effectively, the necessity to tolerate a bloated bureaucracy in which the key social sectors are represented, or the inability to formulate--let alone implement--effective policy, contemporary Yemen appears to lack the institutional capabilities of stable governance.

The report also makes a strong socio-cultural argument to explain the country's political malaise. I found this discussion to be most intriguing, but I also wondered if the interpretation at some points skirts close to the weaknesses which contemporary analysts have discovered in the modernization/political culture formulations of the 1960s. Much of the

current writing on democratization in the Middle East focuses on the proposition that "civil society" has developed to such a point that there is now an autonomous political space between rulers and the ruled which can sustain an opposition against (or at least constraints on) the authoritarian state. To most of these writers civil society is indicated by a plethora of voluntary associations and some common consensus on tolerance. One must take seriously the report's contention that associational life in Yemen is still rudimentary and that a consensus on tolerance has not yet been achieved. I think that it is right to be skeptical that a democratizing ethos is emerging.

But I would also want to apply a skeptical attitude toward the idea that "traditional" Yemeni society is inherently and perhaps immutably selfish, fragmented, parochial, and often violent. The report depicts Yemen's social structure as segmented, riven with deep vertical as well as strong horizontal divisions, and--at the level of public policy--paralyzed by the unending search for consensus. If one is going to make cultural arguments, I wonder if greater attention should not be given to the "national" solidarity grouping and the idea of nationalism. While "pure" rational choice calculations might support patterns of unification, such calculations alone are surely not enough; but it would be interesting to consider whether Yemeni political culture may provide some "ideological cement" to ease the enormous stresses and strains on the system.

Particular Observations

*Introduction--The phrase "a mix, not a blend" aptly characterizes the unification process to date. The authors do not exaggerate the separateness in institutions like the military, and the failure of regional political parties to develop national constituencies.

*II. Challenges Facing the ROY--a most impressive presentation, particularly the economic and social challenges.

*The treatment of political challenges, notably the acts of violence against YSP personnel, seems factual and accurate. [Note that page 7 was missing from my copy.] The discussion of judicial and executive weaknesses is, I believe, accurate; but I was led to wonder whether there might be any "strengths" to discuss as well. As for parliament, I have no doubt as to its limitations, as described; but even if it can't do well at "making public policy" (p. 11) perhaps it still performs some consensus-building functions. I wondered about the parliamentarians having "no previous experience": at one level this is an obvious statement; at another level one might think that some of these representatives are hardly political novices.

*The discussion of fiscal weaknesses (pp. 11-13) is very important. From it one can understand clearly what we mean by weak government in Yemen.

*Historical and Cultural Traditions (pp. 13-14 [Note: page 15 was missing])--As noted above, I am less convinced by the generalizations about "a warrior centered value system", the semi-Hobbesian environment, the notion that "everything is subject to bargaining," etc., than I am about the political economy propositions.

*The discussion of elites (p. 16) is crucial to understanding the present ongoing crisis. The description and comparison of the northern and southern ruling elites is, I believe, exactly right. Even if the recent (January 1994) document of reconciliation is finally signed by the two main antagonists, one cannot dismiss the possibility that the YSP elite will continue to refuse to rejoin the unified government, because of the continuing threat to its diminished but still existing prerogatives.

*The Politics of Balancing and Consensus (pp. 17-21)--I buy the general argument, but I wondered if some of the negatives weren't

overstressed. The comparison to Lebanon was interesting. I think one must admit that balancing and consensus-maintenance are the highest priority functions for deeply divided systems such as these. The question is whether the costs in terms of dynamic policymaking are ultimately overwhelming. In both cases, I think they can lead to disaster, especially if one segment of the population and/or elite feel egregiously disadvantaged. It's not just capabilities and efficiency that are at issue, but equity. But political systems (and publics) often have quite a capacity to endure delays and corruption.

*U. Players in the Game--I liked the capsule descriptions of the main actors and political parties. The report makes a good case for the lack of cohesion of certain strata that might support a more coherent opposition, and the information on the thinness of associations is not encouraging. Some of the players in the Yemeni game are exogenous--certain regional neighbors and international actors, but they are not discussed; yet they may play a role (one way or another) in affecting the long-term viability of the system.

*Finally, the report returns to the paradox of a system in which the strongest players share a stake in the status quo, yet the status quo is unstable. It rightly notes that there are some beneficial aspects to this status quo--which is, after all, still evolving. The dangers they spell out are real. What systems as (almost necessarily) unwieldy as this one need is strong leadership, nationally focused and attentive to both equity and development. I am not quite as pessimistic as the authors in thinking that Yemeni culture and society might support such leadership, should it somehow emerge.
