

YEMEN: ON THE BRINK

A Carnegie Paper Series



War in Saada

From Local Insurrection
to National Challenge

Christopher Boucek

CARNEGIE ENDOWMENT

FOR INTERNATIONAL PEACE

WASHINGTON DC ■ MOSCOW ■ BEIJING ■ BEIRUT ■ BRUSSELS

Middle East Program

Number 110 ■ April 2010

CARNEGIE PAPERS

War in Saada

From Local
Insurrection to
National Challenge

Christopher Boucek

The government's uncompromising position in Saada has exacerbated local grievances and rapidly accelerated Yemen's economic crisis.

CARNEGIE ENDOWMENT

FOR INTERNATIONAL PEACE

WASHINGTON DC ■ MOSCOW ■ BEIJING ■ BEIRUT ■ BRUSSELS

Middle East Program

Number 110 ■ April 2010

© 2010 Carnegie Endowment for International Peace. All rights reserved.

The Carnegie Endowment does not take institutional positions on public policy issues; the views represented here are the author's own and do not necessarily reflect the views of the Endowment, its staff, or its trustees.

No part of this publication may be reproduced or transmitted in any form or by any means without permission in writing from the Carnegie Endowment. Please direct inquiries to:

Carnegie Endowment for International Peace
Publications Department
1779 Massachusetts Avenue, NW
Washington, DC 20036
Phone: 202-483-7600
Fax: 202-483-1840
www.CarnegieEndowment.org

This publication can be downloaded at no cost at www.CarnegieEndowment.org/pubs.

About the Author

Christopher Boucek is an associate in the Carnegie Middle East Program where his research focuses on regional security challenges.

Before joining the Carnegie Endowment, he was a postdoctoral researcher at Princeton University and lecturer in Politics at the Woodrow Wilson School. He was also previously a media analyst at the Royal Embassy of Saudi Arabia in Washington, D.C., and worked for several years at the Royal United Services Institute for Defence and Security Studies in London, where he remains an associate fellow. From 2003 to 2005, he was a security editor with Jane's Information Group.

The author is grateful to Danny Kaysi for his research assistance.

Contents

Summary	1
Understanding Saada and Zaidism	3
Lack of Reliable Information	5
The Six Rounds of Conflict	5
Round 1: June 2004 to September 2004	5
Round 2: March 2005 to May 2005	6
Round 3: November 2005 to Early 2006	6
Round 4: January 2007 to June 2007	7
Round 5: March 2008 to July 2008	8
Round 6: August 2009 Through February 2010	8
Operation Scorched Earth	9
The Current Cease-Fire	10
A Proxy Conflict?	10
Saudi Involvement	11
A Serious Threat to Stability	12
Notes	15

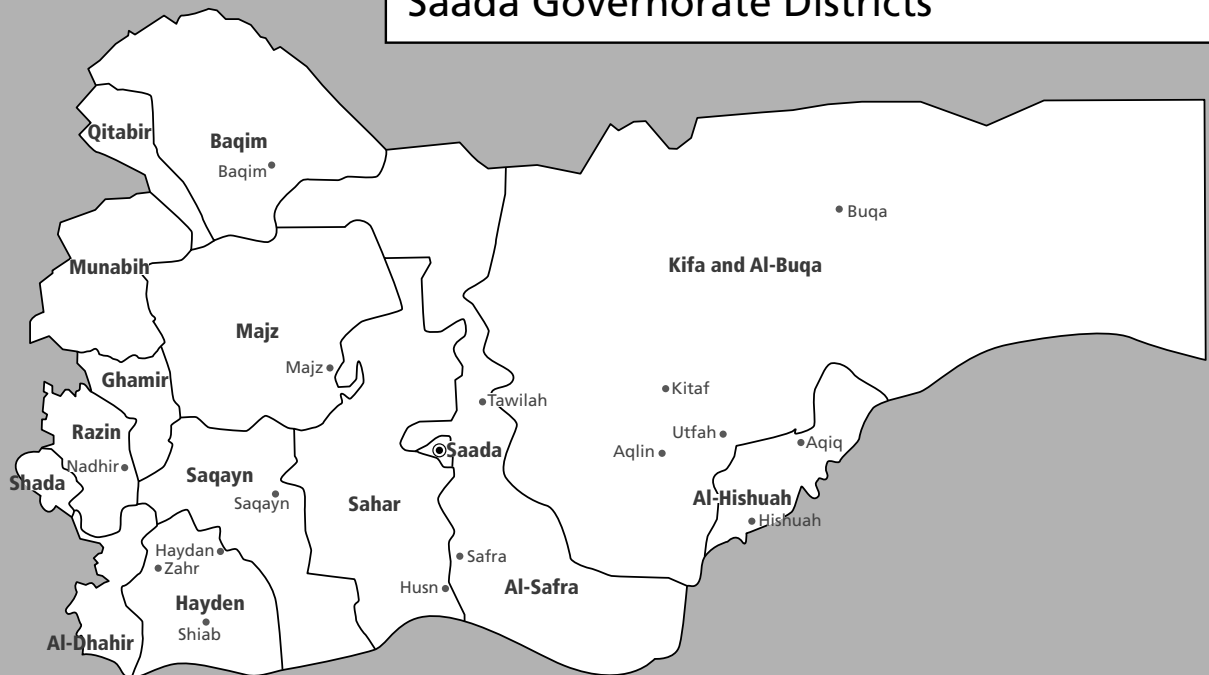
YEMEN

- International Boundaries
- ⋯ Governorate Boundaries
- Former North/South Boundary (approx.)
- ★ Country Capital
- ⊙ Governorate Capital

SAUDI ARABIA



Saada Governorate Districts



Summary

Yemen's leaders consider their sporadic war against the Houthi rebels a conflict they can win and, in so doing, discourage southern secessionists—a more immediate threat to their hold on power and the nation's territorial integrity. Instead, this war in the North has exposed greater vulnerabilities for the regime, weakened the central government, and emboldened other threats to Yemeni and global stability such as al-Qaeda.

The conflict in Saada has occurred in six distinct rounds and come at a high price, affecting noncombatants disproportionately. Since hostilities began in 2004, more than 250,000 people have been displaced; the number of casualties is unknown.

But fighting the Houthis—Shi'i Zaidi revivalists who, when the crisis began, were protesting the dilution of Zaidi influence and identity—has failed to improve security or stability. Yemen faces a very serious financial crisis, and fighting the Houthis has rapidly accelerated that crisis.

In the six years of fighting in Saada, the war has evolved from a local insurrection into a national challenge. The cease-fire that began in February 2010 likely will fail, because the central government has shown little interest in addressing the Houthis' core grievances and as a result of growing intransigence within the rebel movement. Without a serious international effort at mediation, further fighting is inevitable—and poses a serious threat to Yemeni stability.

Since 2004 the Yemeni government has been mired in a militarily unwinnable, sporadic civil conflict against the Houthis, a group of Shi'i Zaidi revivalists in the northern governorate of Saada. The war has had a disproportionate toll on noncombatants and has led to a widespread humanitarian crisis: More than 250,000 people have been displaced, and significant civilian infrastructure has been destroyed. There is no good data on casualties, but estimates of the number killed range from several hundred to several thousand. The war has not improved security and stability in Yemen; rather, it has exposed greater vulnerabilities for the regime, weakened the central government, and emboldened other threatening actors such as al-Qaeda. However, the most severe threat to Yemen is its economic crisis, which the conflict's financial costs have rapidly accelerated. Conditions went from bad to worse in November 2009 when Saudi Arabia's military entered the conflict, internationalizing what had been a domestic conflict.

Yemen faces daunting, interconnected challenges: a failing economy, massive unemployment, runaway population growth, resource exhaustion, a rapidly falling water table, dwindling state capacity, an inability to deliver social services throughout much of the country, and interwoven corruption and governance issues. The Houthi conflict exacerbates these challenges, as do a growing secessionist movement in the former South Yemen and a resurgent al-Qaeda organization. The war in Saada takes precedence over concurrent security challenges such as confronting al-Qaeda in the Arabian Peninsula (AQAP) and resolving secessionist aspirations in the South.

The government's tacit support of hard-line Salafi activists in Saada has diluted Zaidi influence there. The Houthi rebels are protesting this dilution as well as the historic underdevelopment of the governorate. The government has accused the Houthis of seeking to establish a Shi'i theocracy in Saada and wanting to revive the Zaidi imamate that ruled for nearly a thousand years until being overthrown in the 1962 republican revolution. In actuality, the conflict arose from a complex combination of competing sectarian identities, regional underdevelopment, perceived socioeconomic injustices, and historical grievances.¹ It is exacerbated by tensions between the indigenous Zaidi Shi'i population and Sunni Salafi fundamentalists who have relocated to the area. Tribal rivalries also complicate matters, because the regime has recruited tribal fighters to combat the insurrection.

The Yemeni government has sought to link the rebellion to the larger "war on terrorism" and garner international support by claiming the Houthis' supporters include secular Libya, radical Sunni extremist al-Qaeda, Lebanese Hizbollah, and Shi'i Iran. The state has not yet produced evidence that the Houthi rebels are receiving outside military assistance, or proven its recent assertions that Iran is meddling in the conflict.

The war grew more dangerous in November 2009 when Saudi Arabia openly entered the fighting. Riyadh, responding to Houthi incursions, launched a major military operation on its southern border—the first unilateral Saudi military operation in decades. Some analysts have expressed concern that Saudi involvement in the Houthi conflict might prompt Iran to follow suit, adding a dangerous international dimension to the war. Saudi Arabia's actions have compounded the complexity of the situation and dramatically complicated future international mediation efforts.

In the long term the Saada war is not the most immediate security threat to the country; that title goes to the growing challenge of the southern secessionist movement, which imperils Yemeni territorial integrity and the current Yemeni government. National unity has been an overriding preoccupation for the regime since Yemen's 1990 unification and the 1994 civil war to prevent separation. Much of Yemen's hydrocarbon resources, as well as the natural deepwater port of Aden, are in the South, so the prospect of half the country

splitting off is perceived as a direct threat to the country's economy. The government considers the energy resources and port as possible future sources of income, although hydrocarbon resources are quickly running out. Secession would threaten the national economy but, more ominously for leaders in Sanaa, directly challenge the ruling order; the government has taken a zero-tolerance policy on secession. The Southern Movement is the biggest threat to Yemeni stability in the long run, but the regime is most involved in Saada for two key reasons: first, Yemen's leaders view the war in Saada as winnable, and second, the government uses its military operations in the North to send a message of resolve to southern agitators for secession.

Neither the rebels nor the government can expect a military solution to the conflict after nearly six years of fighting. A grinding status quo has emerged, characterized by ongoing low-level hostilities that periodically escalate into larger bouts of sustained and prolonged fighting. These rounds of fighting—there have been six—are especially brutal and indiscriminate, and local civilian populations have suffered greatly. The Yemeni army is untrained and unequipped to fight a classic counterinsurgency campaign and has increasingly relied on indirect fire, artillery, and airpower. The Houthis have been accused of indiscriminate, brutal methods that have increased civilian casualties, destroyed infrastructure, and resulted in more than 250,000 internally displaced persons. The misery in Saada is compounded by reported food blockades, and there are allegations that the government repeatedly has cut off telephone and other communications there.

Rumors of shadowy arms deals and other nebulous financial transactions frequently circulate in Yemen, as do claims that regime figures have used the conflict and related arm sales for their personal enrichment. Such stories are notoriously difficult to verify, yet they contribute to the confusion that surrounds the war in Saada. There is some talk that the fighting in Saada is complicated by struggles to determine a successor for President Ali Abdullah Saleh, who came to power in 1978. There are reports of clashes between General Ali Mohsin, the commander of the northern military district, and Ahmed Ali Abdullah Saleh, the president's son and commander of the Republican Guard. Again, such rumors are extremely difficult to confirm; however, a look at the major regime personalities prosecuting the war in Saada helps explain why such stories are repeated so frequently.

Understanding Saada and Zaidism

The governorate of Saada is along Yemen's northern border with Saudi Arabia. Saada historically has suffered from underdevelopment and was among the last Yemeni regions incorporated into the republic. The central government in Sanaa has had a greater presence in other portions of the country; it does not

have full control of Saada. Some analyses suggest that portions of Saada have never been under central government control but are governed by local authorities. Saada is among Yemen's poorest governorates and receives little in the way of civil services: It is one of the few governorates where the Water Ministry has not established a local water corporation. However, the regime has not completely ignored it: Recent official figures show Saada receives approximately 12 percent of all water subsidies (second after Sanaa, which received 48 percent).

The government is fighting Shi'i Zaidi revivalists, who were originally fighting to protest the dilution of Zaidi identity and influence. Most Yemenis follow the Shafi school of Sunni Islam; only 35 percent to 40 percent of Yemenis are Zaidis, and most members of this school live in Yemen. Zaidism frequently is viewed as a Sunni school of Shi'ism and Shafism as a Shi'i school of Sunnism.² Zaidism is a very small subset of the global Shi'i community, and in practice it is very similar to Sunni Islam. It is doctrinally different from the more common "Twelver Islam" practiced in Iran and elsewhere. This leads many observers to doubt that Tehran would support the Houthis.

The role of the imam is central to traditional Zaidi belief. Zaidi doctrine holds that the leader of the community, the *imam*, must be a *sayyid*, or descendant of the Prophet Mohammed through his daughter Fatimah. A Shi'i Zaidi imamate governed Yemen for nearly a thousand years, until the revolution of 1962. Following the overthrow of this monarchy, the status of Yemen's Zaidi community—and in particular that of the Zaidi *sayyids*—declined dramatically. Today's Yemeni Zaidi community appears divided on the need for an imam. Indeed, the current absence of an imam is a key aspect of contemporary Zaidism in Yemen, and it underscores a central government argument that Houthis seek to revive the imamate under their own leadership.

The current reasons for the war in Saada bear little resemblance to the causes of the initial outbreak of fighting in 2004. Then, the conflict was driven by a sense of sectarian marginalization, economic underdevelopment, and displeasure at governmental policies on cooperation with the United States and Saudi Arabia. Today the war is about broader anger and dissatisfaction with the Saleh regime. Throughout the conflict, the Houthi leadership has been very careful to not identify many specific demands. While this can in part be attributed to a calculated attempt to not get pinned down by the government, it also demonstrates the leadership's lack of unity and a coherent vision. Today, it seems that the primary Houthi position is opposition to the central government, and the movement's *raison d'être* is resistance to Yemeni military offensives.

This transformation—and the movement away from demands—have greatly complicated any resolution to the conflict. As the Congressional Research Service noted in a recent report, the conflict has "transformed from an ideological/religious revival movement into more of a classical insurgency."³ One analyst, writing during the recent sixth round of fighting, observed that

... the insurgency is more a reaction to a dysfunctional government than an inspired, centralized, ideological movement. Although there is a core of ideologically motivated fighters, most members do not appear to have any kind of consistent national or international objective.... the Houthi leadership has portrayed its position as purely defensive against the acts of state oppression and attacks by the Yemeni army.⁴

Lack of Reliable Information

Throughout the war in Saada, several factors have made it extremely difficult to obtain accurate information about conditions there. This has severely complicated outside analyses of the conflict. The Yemeni government has severely restricted reporting from Saada and has prosecuted several reporters and media organizations on dubious allegations of supporting the insurrection. Fighting and government restrictions have meant foreign media have little access to Saada, so the majority of reporting is based on two sources: the official state media and the Houthi rebels. Both have incentives to report favorable and distorted interpretations of the conflict; this has been the norm throughout the rebellion. International humanitarian and relief organizations have also suffered from a lack of access. However, in the past year there have been several very thorough reports.⁵ This has improved the outside understanding of the situation in Saada, but many questions remain.

The Six Rounds of Conflict

Round 1: June 2004 to September 2004

The armed conflict began in 2004 following anti-government demonstrations by members of the Believing Youth (*Shabab al-Mumin*) movement, which originated in the early 1990s as an informal advocacy group for Zaidi education and culture. The group was tolerated, and even supported, by Saleh and the government to counter the growth of Salafism in Yemen.⁶

In 2004 militants associated with the group disrupted mosque services in Saada, shouting anti-government, anti-American, and anti-Israeli slogans. The disturbances soon spread to Sanaa, with protesters criticizing the Saleh regime for its counterterrorism cooperation with the United States. Exact details are difficult to come by, but reports suggest that some 600 Zaidi protesters were detained in Sanaa following the outbursts. That June, after an unsuccessful reconciliation effort, the government attempted to arrest Believing Youth leader Hussein Badr al-din al-Houthi, a former member of parliament representing the al-Haqq party. The government accused him of fomenting unrest and seeking to revive the Zaidi imamate.

Government forces clashed with Houthi rebels throughout June, with reports of fierce fighting in Marran and Haydan. Government rhetoric against the Houthis escalated, including allegations that the group sought to “incite sectarianism” and spread “extremism” and “deviancy.”⁷ The fighting continued into July, when the government offered a bounty of 10 million Yemeni riyal (\$55,000) on al-Houthi. During July, the government deployed more forces to Saada and began to link the Houthis to Iran and Hizbollah—a charge the Houthis swiftly rejected. Al-Houthi countered that he and his movement were loyal to Yemen but opposed the government’s close cooperation with the United States and Saudi Arabia’s involvement in domestic affairs. By September more government forces were deployed in Saada, and the conflict continued to escalate. Hussein al-Houthi was killed in early September, leading the government to proclaim unilateral victory in Saada and the defeat of the Houthi rebels. This marked the end of what has been termed the first round of fighting; Yemeni press reports that more than 1,000 civilians died in this round. However, since September 2004, the al-Houthi family has led five additional rounds of fighting.

Round 2: March 2005 to May 2005

Hussein al-Houthi’s father, Badr al-Din al-Houthi, assumed leadership of the movement following Hussein’s death. The Yemeni government charged Badr al-Din al-Houthi, a noted Zaidi scholar, and Abdullah al-Ruzami, a former member of parliament from the al-Haqq party, with resuming the insurgency. Al-Ruzami countered that Yemeni President Ali Abdullah Saleh did not want the conflict to end. After a series of skirmishes, the conflict escalated in late March with heavy fighting taking place in Majz, Sahar, Baqim, and Dahyan. Saleh accused two political parties—al-Haqq and the Union of Popular Forces—of supporting the rebellion, charging them with terrorism against the government, the military, and attempts to kidnap ambassadors to Yemen. According to reports, Saleh appeared on television in May to pardon Badr al-Din al-Houthi, although during this time other prominent Houthi supporters were tried and convicted on charges of espionage and insurrection.⁸ According to press reports, Badr al-Din rejected the pardon offer. Saleh reportedly used the anniversary of the 1962 republican revolution to declare an amnesty for Houthi prisoners, although it seems that many remained in detention. In May 2005, the government again announced a unilateral victory and declared an end to hostilities. However, sporadic fighting continued.

Round 3: November 2005 to Early 2006

This round began with tribal fighting between the pro-government Hamdan tribe of Sheikh Abdullah al-Awjari and tribes supporting the Houthi rebels. In late 2005 government forces began heavy fighting in Saada. The government also released a large number of Houthi detainees, although others reportedly

were put on trial. In early 2006 Houthi rebels were accused of attempting to assassinate a Ministry of Justice official in Dhamar, south of Sanaa.⁹ The elderly Badr al-Din al-Houthi reportedly died of natural causes in February 2005, and two of his sons, Abdul Malik al-Houthi and Yahya al-Houthi, assumed leadership of the rebellion, which has continued under the leadership of Abdul Malik. Yahya, a former member of parliament from the ruling General People's Congress party, is currently in exile in Germany and has served as one of the movement's spokesmen.

The government was pressured to end the fighting before voting began for the September 20, 2006, presidential and municipal elections. Saleh amnestied some 600 prisoners, including Mohammed Badr al-Din al-Houthi, and announced a new governor for Saada in an effort to end the fighting. It was also reported that Saleh ordered that government forces hand over the home of Hussein al-Houthi and that the Houthi family receive a government salary.¹⁰ This relative lull, however, would not last.

Round 4: January 2007 to June 2007

The government maintains this round was sparked in part by Houthi threats against the indigenous Jewish community in Saada. Fighting quickly escalated, spreading throughout Saada and into neighboring governorates. Government allegations of Iranian and Libyan support for the Houthis resurfaced, and Sanaa recalled its ambassadors from Tehran and Tripoli; Houthi leaders denied these charges of foreign intervention. In February 2007 the Yemeni government sought to extradite Yahya al-Houthi from Libya, where he had sought refuge; Yahya travelled to Germany and sought political asylum. During this time, according to Reuters News Agency, the Yemeni government stripped Yahya al-Houhti of his parliamentary immunity and began to actively recruit tribal levies to deploy in Saada. This significant development permanently altered the complexion of the conflict: Introducing tribal fighters has added new layers of complexity to the conflict, injecting tribal politics into what had thus far been a largely sectarian conflict. This shift would prove to be a lasting factor of subsequent fighting, as the war in Saada metastasized.

Qatari mediation ended this fourth round. In May 2007 Qatari Emir Hamad visited Yemen, and a delegation from the Qatari foreign ministry met with the Houthi leadership. Shortly thereafter Yahya al-Houthi traveled to Qatar. Following these meetings, a list of general principles was created, which led to a cease-fire in mid-June 2007. The Qatari peace plan, called the Doha Agreement, was initially kept secret. It included several broad components, including a government amnesty, the reconstruction of Saada, a commitment by the Houthis to give up their heavy weapons, and the establishment of a committee to work out the specifics of a peace settlement. That committee comprised representatives from the Yemeni government, the Houthis, and the Qatari government. The subsequent agreement included a halt to all military operations, the release

of all prisoners within one month, and the establishment of committees to handle compensation and reconstruction. It also called for senior Houthi leaders including Abdul Malik al-Houthi, Abdul Karim al-Houthi, and Abdullah al-Ruzami to go into permanent exile in Qatar. These were important first steps, although fighting in Saada persisted throughout this process.

Despite this progress the Doha Agreement failed, because it provided no specifics on how to reconstruct Saada or arrange the exile of the senior Houthi leaders, and because of Saudi displeasure at Qatar's involvement. The Yemeni government also complained that the Qatari mediation efforts led the Houthis to believe that they were equal to the state. The agreement collapsed, but its fundamentals remain the likely basis for any future settlement.

Round 5: March 2008 to July 2008

Sporadic fighting continued from the summer of 2007 until March 2008, when the fifth round of fighting broke out. Conditions seriously deteriorated, and fighting spread beyond Saada, reaching Bani Hushaysh on the northern outskirts of Sanaa. The fighting steadily intensified until Saleh declared a unilateral cease-fire on July 17, 2008—the thirtieth anniversary of his rule. The Yemeni Republican Guard saw combat, and tribal militias fought on behalf of the government.

According to some reports, the proximity of the fighting to Sanaa led to concern among regime elites. According to the Congressional Research Service, during this time there were also rumors of an “aborted coup and shakeups within the military.”¹¹ Saleh was rumored to have sought a cease-fire for several reasons: international pressure, the scale of the humanitarian toll, local mediation, and concern about the proximity of the rebel advance.

In March 2009 tensions again began to rise. Throughout the spring and summer, violent clashes came more frequently, and in June 2009 nine foreign aid workers were abducted in Saada governorate. The bodies of the three female victims were discovered several days later; they apparently had been executed shortly after the kidnapping. The level of violence and absence of any conditions for releasing the captives distinguished this abduction from previous kidnappings. It was more like al-Qaeda-style abductions, such as those seen in Iraq and Pakistan. It has been suggested by some observers that Islamist militants staged the kidnapping in Saada to provoke the Yemeni government into restarting the war in Saada and to divert focus from AQAP.

Round 6: August 2009 Through February 2010

The kidnappings set the stage for this most recent round of the Saada war, which followed rebel closures of several key roads, including the road linking Saada and Sanaa. The Yemeni government started this round by launching Operation Scorched Earth in August 2009.

Operation Scorched Earth

President Saleh asserted that the Houthis would be handled once and for all, and declared the regime's resolve to crush the rebellion with an "iron fist." Despite early promises to swiftly defeat the Houthis, this latest round of fighting deteriorated into consistent and ongoing fighting. A month into the government offensive, the Houthis had seized Baqim and al-Safra districts in Saada, and fighting had spread to Harf Sufyan district in neighboring Amran governorate. Several cease-fires were declared, but none has lasted.

According to a January 2010 report in *Jane's Intelligence Review*, the Yemeni government has deployed more than 40,000 soldiers in support of Operation Scorched Earth. This represents a major increase from previous episodes. Fighting in previous rounds had spilled out of Saada, but the war further metastasized during Operation Scorched Earth through the potent combination of tribalization and indiscriminate fire. The government has also deployed the Popular Army, an amalgam of tribal levies and informal fighters. Tribal rivalries are playing out in the theater, leading to violence and fighting unrelated to the actual war. Reports of tribal fighting include conflicts between the Shaker and Sufiyan tribes of the Bakil tribal confederation; between Kharef and other tribes of the Hashid tribal confederation; and between the Najjar and al-Farhan tribes.

Previous rounds of fighting have included indiscriminate fire, but the sixth round increasingly has featured government artillery and aerial bombardments. Such tactics disproportionately target noncombatants, increase civilian collateral damage, and increase local animosity to the central government.

According to local Yemeni sources, the government's decision to re-launch the war in Saada was driven by a perception that the regime could finally vanquish the Houthi rebels. The central government likely also was driven by a desire to reopen roads from Sanaa to Saada closed by the Houthis. It is probable that the Yemeni government sought to use the war in Saada as an example for southern secessionists.

It is extremely unlikely that Sanaa would have begun military operations without consulting Riyadh and other regional actors. Saudi Arabia allegedly has helped finance the recent fighting, and it is likely that the Saudis provided some international political cover for the Yemeni government. For several months after Operation Scorched Earth began in August 2009, there was surprisingly little international criticism of the war. On the contrary, the Gulf Cooperation Council voiced its support for Yemen (and later Saudi Arabia) as the government sought to contain the Houthis. A number of Arab Sunni countries have lobbied in Washington to encourage support of the Yemeni government's military action.

The Current Cease-Fire

A cease-fire was reached in mid-February 2010, ending immediate hostilities in Saada. As of this writing, the cease-fire holds. However, the government shows no interest in addressing the underlying causes of the war, which is now six years old, or the grievances that have perpetuated the conflict. The sixth round of fighting in Saada was dramatically more violent than earlier rounds, and the current cease-fire can in part be explained by exhaustion on both sides. Based on recent field research in Yemen, it is likely that the current lull in violence will last longer than previous interludes, in larger part due to mutual exhaustion. Nonetheless, because nothing has been done to resolve the grievances at the heart of the conflict, it is also extremely likely that fighting will resume. Some sources claim that the Houthis have stockpiled enough arms for another two years of fighting.

Throughout the conflict, the Houthis have complained that the expansion of Sunni Salafi beliefs, propagated in part in schools, dilutes Zaidi culture and identity. Houthi leaders allege that the central government has been complicit in this process. Senior Yemeni government officials have noted that the government is prepared to acquiesce on certain Houthi demands, including the establishment of a Zaidi university in Saada and the creation of a political party; it is more circumspect on changing the national school curriculum. Yemeni officials claim they cannot unilaterally change a national curriculum; that would require action in the Ministry of Education and other agencies.

The growing radicalization among elements of the Houthi movement further complicates matters. According to local analyses, some rebels consider having survived recent Yemeni and Saudi military operations as a Houthi victory. Local observers fear that such interpretations might embolden further Houthi attacks against the Yemeni government and encourage some rebel elements to expand military operations with the aim of overthrowing the regime. This marks a major deterioration: The Houthis previously had never made any claims outside of Saada. This worrisome development underscores the need for immediate steps to defuse tensions and minimize violence in Saada.

A Proxy Conflict?

There is no evidence that Operation Scorched Earth is a proxy conflict between Sunni Saudi Arabia and Shi'i Iran. There are more than enough grievances in Yemen and Saada to perpetuate the fighting without drawing in regional dynamics. Saudi Arabia has supported the Yemeni government in war, but a Saudi–Iranian regional rivalry is not playing out in Saada. However, Saudi military operations on the Yemeni border—and Saudi forces' inability to defeat the Houthis—might lead Iran to play a more provocative role in Saada in order to pressure Saudi Arabia.

The Yemeni government has never produced any evidence to support its allegations that Tehran is supporting the Houthis; in fact, some Yemeni officials have confided that such assertions are unfounded. No Iranians have been killed or captured in Saada, and proof of Iranian weapons transfers never has been produced. The Iranian government and state media have been supportive of the Houthis, and it is likely that some private Iranians have informally funded the insurgency. However, this is far from official Iranian government support for Hizbollah, Hamas, and Iraqi insurgents. Some low-level representatives from the Ministry of Intelligence and Security or Revolutionary Guards might have meddled in Saada in an ad hoc fashion; however, such interference is neither official nor sustained.

Saudi Involvement

In early November 2009, Saudi Arabia openly entered the conflict with significant military operations against the Houthis. The action followed persistent rumors of clandestine Saudi military operations on the border against Houthi rebels. The Saudi offensive followed reports of Houthi incursions in Saudi territory that killed several Saudi border guards.

In the days preceding the Saudi offensive, the Yemeni military was allowed to transit through Saudi territory in order to flank Houthi rebel positions. Perhaps the Houthi leadership intended to internationalize the conflict by shooting at Saudi border guards. That gunfire also might have been an attempt to punish the Saudis for their tacit cooperation with the Yemeni government. On the other hand, the Saudi involvement might have been an unintended escalation. The Saudi–Yemen border is not well-demarcated, and armed Houthi guerrillas might have crossed the border unwittingly, provoking a confrontation with Saudi border guards anxious to keep out infiltrators.

The resulting Saudi military response clearly was preplanned, not reactionary. Its swiftness suggests that Saudi forces were prepared to respond, needing only a pretext—such as the attack on a Saudi border post—for action. Saudi officials had expressed concern about deteriorating conditions in Yemen for some time before the incursion and reportedly had established a Special Forces unit specializing in mountain warfare on its southern border.

The Saudis consider Yemen a major security challenge. Significant numbers of Saudi militants (including eleven Guantanamo returnees¹²) have fled to Yemen since AQAP established itself there, and they pose a growing threat to the kingdom. In August 2009 one such Saudi national returned to the kingdom and tried to assassinate Saudi counterterrorism chief Prince Mohammed bin Nayef.

A Serious Threat to Stability

The fighting in Saada has done little to advance stability or security in Yemen. The humanitarian and financial costs have been enormous, yet conditions on the ground make these costs impossible to accurately discern. Prosecuting the war has hampered the Yemeni military's effectiveness, preoccupied the central government to the exclusion of nearly every other issue, led to widespread humanitarian suffering, and rapidly accelerated the country's economic crisis.

Over the course of the six-year conflict, nearly every aspect of the Yemeni military has seen combat in Saada, including the Central Security Force Counter-Terrorism Unit. Some analyses maintain that the only units that have not been deployed to Saada are the regime defense and personal protection units—in itself a very telling fact. The toll on the Yemeni armed forces has been significant, with reports of desertions, falling morale, and allegations of black market sales of state munitions and materiel. The required post-deployment re-equipping and refitting is a cost that the Yemeni government can little afford. This strain on the military has led to questions about its ability to simultaneously engage in other operations such as combating Islamist extremism, fighting AQAP, and extending state control throughout the country.

The government's failure to decisively put down the rebellion has prompted concerns that other domestic challengers might be emboldened and perceive the regime as vulnerable. Islamist militants or other disaffected groups could mount attacks on other fronts while the government is distracted in Saada. The longer that the war in Saada goes on, the weaker the central government appears. Yet some Yemeni officials have argued that stopping hostilities would show weakness and a lack of state resolve.

The humanitarian toll has been significant. The war has produced an estimated 250,000 internally displaced persons in Saada, Amran, Hajja, and Sanaa; most were displaced during the most recent round of fighting. Relief organizations have complained about a lack of access and the difficulty in delivering supplies to those most affected.

The war in Saada's greatest consequence has been its devastation of the Yemeni economy. The war has consumed many resources, dramatically accelerating the nation's financial crisis. All other challenges facing the country are linked to the economy. Previous assessments had suggested that Yemen's economic crisis was several years in the future, but the costly war effort has accelerated the timetable. Sanaa has been spending money it does not have to finance the war, and every riyal spent on the war effort is a riyal that is not spent on delivering human services, ensuring food security, or combating AQAP. By some estimates, the central government has spent more than \$1 billion in hard currency reserves during the sixth round of fighting; this figure does not include subsidies from the Saudis and other countries. Estimates of

this year's budget deficit range from 9 percent to 23 percent, and it is unclear how the Yemeni government can meet this shortfall without foreign assistance. Despite new natural gas revenues and royalties, oil exports continue to decrease and state income is falling. Roughly 80 percent of the Yemeni budget is salaries, pensions, and diesel subsidies—areas off limits to any cuts. As the economy deteriorates, every other problem worsens and Sanaa's ability to manage concurrent crises decreases.

The war in Saada has received little international attention, despite the widespread humanitarian toll. U.S. and Western concerns vis-à-vis Yemen focus solely on al-Qaeda and international terrorism. The Houthis do not threaten Western interests, so the international community has been little concerned with the deteriorating situation in Saada. For the Yemeni government, however, the war in Saada has been all-consuming.

The regime and republic face an existential threat from the Houthi rebellion and southern secessionist movement. Both conflicts illustrate the fraying of the Yemeni state. The government's uncompromising position in Saada has exacerbated local grievances and rapidly accelerated Yemen's economic crisis. Neither the Yemeni government nor the Houthis can de-escalate the conflict at this point, and there is no political will to end the war. Doing so will require foreign intervention, but no foreign actors are inclined to act. Given the level of tensions, further fighting is likely.

Notes

- 1 “Yemen: Defusing the Saada Time Bomb,” Middle East Report no. 6, Brussels: International Crisis Group, 2009.
- 2 See Greg Johnsen remarks at the Carnegie Endowment for International Peace event, “Al-Qaeda in Yemen,” July 7, 2009, <http://www.carnegieendowment.org/events/?fa=eventDetail&id=1372>; International Crisis Group, “Yemen: Defusing the Saada Time Bomb,” May 27, 2009, http://www.crisisgroup.org/home/index.cfm?action=login&ref_id=6113; Laurent Bonnefoy, “Varieties of Islamism in Yemen: The Logic of Integration Under Pressure,” *Middle East Review of International Affairs*, vol. 13, no. 1, March 2009.
- 3 Jeremy M. Sharp, “Yemen: Background and U.S. Relations,” CRS Report for Congress, Washington, D.C.: Congressional Research Service, January 13, 2010.
- 4 Joost Hilterman, “Disorder on the Border: Saudi Arabia’s War Inside Yemen,” *Foreign Affairs*, December 16, 2009.
- 5 See ICG, “Yemen: Defusing the Saada Time Bomb,” J. E. Peterson, “The al-Huthi Conflict in Yemen,” Arabian Peninsula Background Note, no. APBN-006, published on www.jepeterson.net, August 2008; Michael Horton, “Borderline Crisis: Saudi Arabia Intervenes in Yemen,” *Jane’s Intelligence Review*, January 2010; Jack Freeman, “The al-Houthi Insurgency in the North of Yemen: An Analysis of the Shabab al Moumineen,” *Studies in Conflict & Terrorism* vol. 32, no. 11, November 11, 2009.
- 6 Michael Horton, “Borderline Crisis: Saudi Arabia Intervenes in Yemen,” *Jane’s Intelligence Review*, January 2010, p. 13.
- 7 J. E. Peterson, “The al-Huthi Conflict in Yemen,” Arabian Peninsula Background Note, no. APBN-006, published on www.jepeterson.net, August 2008, p. 5.
- 8 Peterson, “The al-Huthi Conflict in Yemen,” p. 8.
- 9 Ibid.
- 10 Peterson, “The al-Huthi Conflict in Yemen,” p. 9.
- 11 Jeremy M. Sharp, “Yemen: Background and U.S. Relations,” CRS Report for Congress, Washington, D.C.: Congressional Research Service, January 13, 2010, p. 18.
- 12 Only eight of the eleven Saudi Guantanamo returnees believed to be hiding out in Yemen are thought to remain at large.

About the Carnegie Endowment

The Carnegie Endowment for International Peace is a private, nonprofit organization dedicated to advancing cooperation between nations and promoting active international engagement by the United States. Founded in 1910, its work is nonpartisan and dedicated to achieving practical results.

Following its century-long practice of changing as global circumstances change, the Carnegie Endowment for International Peace is undertaking a fundamental redefinition of its role and mission. Carnegie aims to transform itself from a think tank on international issues to the first truly multinational—ultimately global—think tank. The Endowment has added operations in Beijing, Beirut, and Brussels to its existing centers in Washington and Moscow. These five locations include the two centers of world governance and the three places whose political evolution and international policies will most determine the near-term possibilities for international peace and economic advance.

Combining in-depth local knowledge with incisive comparative analysis, Carnegie's **Middle East Program** examines politics in the Arab world. The Program studies extensively attempts at political reform, through detailed country studies and the exploration of key cross-cutting themes. The Program has special expertise on Islamist participation in pluralistic politics throughout the region. The Program publishes the *Arab Reform Bulletin*, which offers a monthly analysis of political and economic developments in Arab countries. In 2006, the Program opened the Carnegie Middle East Center in Beirut, Lebanon, a research center staffed by regional experts that will serve as a hub for independent analysis of political, economic, social, and security issues throughout the Middle East.

Carnegie Papers

Carnegie Papers present new research by Endowment associates and their collaborators from other institutions. The series includes new time-sensitive research and key excerpts from larger works in progress. Comments from readers are most welcome; please send an e-mail to pubs@CarnegieEndowment.org.

2010

War in Saada: From Local Insurrection to National Challenge (C. Boucek)
Millennium Challenge Corporation: Can the Experiment Survive? (J. Hewko)
The Political Challenge of Yemen's Southern Movement (S. Day)
What Comes Next in Yemen? Al-Qaeda, the Tribes, and State-Building (S. Phillips)
Overmanaged Democracy in Russia: Governance Implications of Hybrid Regimes
(N. Petrov, M. Lipman, H. Hale)

2009

Iran, the United States, and the Gulf: The Elusive Regional Policy (M. Ottaway)
Al-Qaeda in the Islamic Maghreb: Algerian Challenge or Global Threat? (J. Filiu)
Five Alternatives that Make More Sense than Offshore Oil (W. Leonard)
Yemen: Avoiding a Downward Spiral (C. Boucek)
Warlords as Bureaucrats: The Afghan Experience (D. Mukhopadhyay)
Concrete Steps to Improve the Nonproliferation Regime (P. Goldschmidt)
Stepping Back From Democratic Pessimism (T. Carothers)

2008

Islamists in Politics: The Dynamics of Participation (M. Ottaway and A. Hamzawy)
Saudi Arabia's "Soft" Counterterrorism Strategy: Prevention, Rehabilitation, and Aftercare (C. Boucek)
Can Trade Policy Support the Next Global Climate Agreement? Analyzing the International Trade and Environment Regimes (M. Lay)
The Russian World: Changing Meanings and Strategies (V. Tishkov)
The New Arab Diplomacy: Not With the U.S. and Not Against the U.S. (M. Ottaway and M. Herzallah)
Party for Justice and Development in Morocco: Participation and Its Discontents (A. Hamzawy)
International Labor Migration in a Globalizing Economy (R. Lucas)
Islam in Uzbekistan: Religious Education and State Ideology (M. B. Olcott, D. Ziyayeva)
Assessing Secretary of State Rice's Reform of U.S. Foreign Assistance (G. F. Hyman)
The Draft Party Platform of the Egyptian Muslim Brotherhood: Foray Into Political Integration or Retreat Into Old Positions? (N. J. Brown, A. Hamzawy)

2007

Incumbent Regimes and the "King's Dilemma" in the Arab World: Promise and Threat of Managed Reform (M. Ottaway and M. Dunne)

For a complete list of Carnegie Papers, visit www.CarnegieEndowment.org/pubs.

CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

1779 Massachusetts Ave., NW
Washington, D.C. 20036
United States
Phone: 202.483.7600
Fax: 202.483.1840
www.CarnegieEndowment.org
info@CarnegieEndowment.org

CARNEGIE MOSCOW CENTER

Tverskaya, 16/2
125009, Moscow
Russia
Phone: 495.935.8904
Fax: 495.935.8906
www.Carnegie.ru
info@Carnegie.ru

CARNEGIE-TSINGHUA CENTER FOR GLOBAL POLICY

No. 1 East Zhongguancun Street, Building 1
Tsinghua University Science Park (TUS Park)
Innovation Tower, Room B1202C
Haidian District, Beijing 100084
China

CARNEGIE MIDDLE EAST CENTER

Emir Bashir Street, Lazarieh Tower
Bloc A, Bldg. No. 2026 1210, 5th flr.
P.O.Box 11-1061
Downtown Beirut
Lebanon
Phone: 961.1.99.14.91
Fax: 961.1.99.15.91
www.Carnegie-mec.org
info@Carnegie-mec.org

CARNEGIE EUROPE

Brussels Office
Avenue d'Auderghem, 82
1040 Brussels
Belgium
Phone: 32.2.735.56.50
Fax: 32.2.736.62.22
www.CarnegieEurope.eu
brussels@ceip.org

CARNEGIE ENDOWMENT

FOR INTERNATIONAL PEACE

WASHINGTON DC ■ MOSCOW ■ BEIJING ■ BEIRUT ■ BRUSSELS