

### Yemen<sup>1</sup>

Yemen provides a cautionary tale on how to handle a breakthrough moment in transitional democracies. A little more than a decade ago the country was portrayed as one of the brightest hopes for democratic reform in the Arab world. After the north and south unified at the beginning of the 1990s, Yemen enjoyed many of democracy's formal trappings, including multi-party elections and a relatively open civil society. Responding to this apparent breakthrough, the West gradually increased its aid allocations. Western support for democracy, however, was modest and did not prevent a steady deterioration in Yemen's political liberalization. A particular challenge in this case related to articulating a successful democracy-building strategy in the context of pervasive poverty. In the aftermath of the terrorist attacks of September 11, 2001, some Western donors transitioned from providing poverty reduction and economic aid to a priority focus on security cooperation. A raft of new Western reform initiatives accompanied this heightened attention; however, it was essentially concerned more with stabilization than democratization. This chapter argues that the European Union (EU) and the United States failed to provide sufficient support for Yemen during its initial attempts at democracy; when they did intensify their political reform strategies after 9/11, such efforts were slanted towards security considerations and could be characterized as "too little, too late." In the case of the US, counter-terrorism efforts took primacy, while the EU and some of its member states sought to avert the country's descent into failed state status.

#### Background

When the (northern) Yemen Arab Republic and the (southern) People's Democratic Republic of Yemen joined to form the Republic of Yemen in 1990, the newly unified state held a constitutional referendum in which

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voters approved a collective presidency, an elected parliament and elected local councils.<sup>2</sup> In a carefully crafted power-sharing arrangement, Ali Abdullah Saleh, who had been president of the Yemen Arab Republic since 1978, became president and Ali Salim al-Bayad, who had been president of People's Democratic Republic of Yemen, occupied the post of vice president.

Unification had been an issue since the 1970s, with both Yemeni republics laying claim to the entire territory. When unification finally took place in 1990, the new state was forged from two very different political systems, and democracy was strategically adopted as a means of avoiding domination by either side.<sup>3</sup> The Yemen Arab Republic in the north had been established in 1962, when an Egyptian-backed coup deposed the Imamate rule. Continuous internal divisions between republicans and royalists eventually allowed the army to take power in a coup, in 1974, and for a junior officer, Ali Abdullah Saleh, to become president in 1978. In contrast, the south had been under the influence of the British, who occupied the port of Aden and exercised minimal supervision over the rest of the territory until the National Liberation Front forced them to withdraw in 1967. The People's Democratic Republic of Yemen (PDRY) was established in 1970 and was ruled by a socialist party with important backing from the Soviet Union and China. Increasing power struggles between factions within the Yemeni Socialist Party (YSP) and the end of development aid from the eastern bloc after 1989 led to the south's de facto bankruptcy. When unification took place, the PDRY was essentially forced to accept the north's terms: Saleh as president and a political and economic system closer to that of the north.

In the period after unification, significant political reforms were implemented, including the legalization of opposition political parties, creation of an independent electoral commission, extension of full political rights to women and a loosening of restrictions on the press. This process of reform culminated in multi-party parliamentary elections in 1993. By this stage, civil society had started to develop and the number of political parties had grown to approximately twenty.<sup>4</sup> The 1993 elec-

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2 International Crisis Group, *Yemen: Coping with Terrorism and Violence in a Fragile State*, ICG Middle East Report no. 8, January 8, 2003, p. 4.

3 J. Schwedler, "Yemen's Aborted Opening," *Journal of Democracy*, vol. 13, no. 4, October 2002, p. 48.

4 J. Schwedler, op. cit., p. 49.

tions gave the north's General Popular Congress (GPC) nearly 40 percent of parliamentary seats, with the remaining share divided between the south's YSP and the Islamist Yemeni Assembly for Reform or Islah (a coalition of tribal and Islamist groups seen as allied to the north). Islah, having won more seats than YSP, was brought in as a junior coalition partner and given several cabinet portfolios, despite a previously agreed YSP-GPC power-sharing agreement, which stipulated that regardless of electoral results they would form a coalition government. Aggravating matters further, Islah was seen as close to the GPC elite, as it was formed by many long-time supporters of Saleh. The chair of Islah, Sheikh Abdallah al-Ahmar, also heads the Hashid tribal confederation, of which Saleh's Sanhan tribe is a member. The YSP complained that the transitional agreement was not being honored, while the GPC accused the YSP of plotting the secession of the south.<sup>5</sup>

Hostilities between the north and south culminated in a three-month civil war in 1994, which concluded with the defeat of the south's army, as well as the fragmentation and exile of its leadership. The GPC and Islah divided up cabinet positions and parliament re-elected Saleh as president; in a demise of power-sharing, the YSP was excluded from the new governing coalition.<sup>6</sup> Since then, discriminatory state policies towards the south have been a threat to the country's stability (the south complains that it produces 60 percent of the national income but receives fewer benefits than the northern governorates). Thereafter, the GPC moved gradually to consolidate its control over the executive branch and restrict pluralism.<sup>7</sup> Islah's participation in government contributed to increased conservatism. The Islamist party managed to change the wording of the constitution to have Islamic law defined as the "sole" rather than "principal" source of law.<sup>8</sup> In 1995, Islah held nine ministerial positions, which represented the peak of its influence.

Parliamentary elections in 1997 were marred by irregularities and boycotted by the YSP. The GPC won 60 percent of the seats in parliament. Dominating all branches of government, the GPC was in a position to sup-

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5 Ibid.

6 International Crisis Group, *Yemen: Coping with Terrorism and Violence in a Fragile State*, ICG Middle East Report no. 8, op cit., p. 5.

7 F. Burgat, "Yemen: Between the Sanaa Declaration and the Old Formula of Arab Politics," *Arab Reform Bulletin*, vol. 2, Issue 3, March 2004.

8 J. Schwedler, op. cit., p. 50.

press future competition and further embed its dominance. In 1999, the first presidential elections gave Saleh an overwhelming victory, with a reported 96 percent of the vote. He faced no genuine opposition candidate, only a GPC placeman. No other candidate managed to win the support of the 31 members of parliament needed to be eligible to run in the elections. The only real opposition candidate – from the YSP – was thus not permitted to run as the YSP had no representation in parliament. Indeed, increasingly it was recognized that the main *de facto* constraint on the regime came simply from the lack of economic and military resources needed to exercise full authority and control of state territory.<sup>9</sup> Despite Saleh's coalition-building skills, tribal conflicts over declining resources and benefits from development projects led to constant skirmishes. In general, the government receives allegiance from the people in exchange for material benefits or government posts and public patronage is used to reinforce negotiated consensus. The tribes closely connected to the president tend to be over-represented in the army and security forces and, since unification, the post of prime minister has traditionally gone to someone from the oil-rich, southern Hadramawt governorate.

Saleh continued to consolidate power through a 2001 constitutional referendum which extended parliamentary terms from four to six years and presidential terms from five to seven. The president was also granted new powers to dissolve parliament, while the presidentially-appointed consultative council almost doubled in size and was given the power to vote jointly with parliament on any legislative matter of the president's choosing.<sup>10</sup> Despite the close relationship between its leadership and President Saleh, Islah has been highly critical of these constitutional amendments and has opposed the government openly on this issue since then.

Parliamentary elections in 2003 continued to show irregularities. The GPC maintained an advantage through its chairing of national and local election commissions; privileged access to public media, transportation, jobs and services; and pro-government publicity paid for with state resources.<sup>11</sup> Opposition parties, including Islah and the YSP, joined forces and agreed not to challenge one another directly in these elections. The electoral outcome gave the GPC 225 seats, Islah 46 and the YSP only seven.

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9 F. Burgat, *op. cit.*

10 European Parliament, Directorate General for Research, "Note on the Political and Economic Situation in Yemen," European Parliament, April 17, 2002, p. 1.

11 S. Carapico, "How Yemen's Ruling Party Secured an Electoral Landslide," *Middle East Report Online*, May 16, 2003.

Since 2004, the government has shown increasingly less tolerance towards dissent. Journalists have been arrested: the government jailed prominent journalist, Abdel Karim al-Khaiwani, editor of the weekly opposition newspaper, Al-Shoura, and closed several newspapers in 2004.<sup>12</sup> A rebellion in the Saada region was put down violently. Since June 2004, government forces – along with tribal groups paid by the government – have waged battle with an organization called the Believing Youth, led by cleric and former member of parliament, Hussein Badreddin al-Hawthi. Security forces have continued arbitrarily to arrest, detain and torture, and the government has invariably failed to hold members of the security forces accountable for abuses.<sup>13</sup>

In July 2005, President Saleh announced that he would not run for reelection in 2006; however, skeptics noted that he had made a similar announcement prior to the 1999 elections. Two days after Saleh's announcement, riots broke out when the government removed subsidies on fuel, returning to the terms of its 1995 agreement with the International Monetary Fund (IMF) and World Bank. Thirty-six people were killed and almost 400 wounded. On the second day of the riots, Saleh announced an 8 – 10 percent salary increase for civil servants. Although some saw the increase as the first sign of the president "setting up his return to politics,"<sup>14</sup> the opposition admitted the measure was necessary. Some speculated that the regime might be losing its grip on the country and that this economic crisis might finally help trigger political change.

At the end of November, a coalition of six opposition parties – Islah, YSP, Union Nasserite Party, Al Haq, Popular Forces Union Party and Nationalist Baath Party – presented a program for comprehensive national reform that called for a parliamentary system to replace the current presidential regime and restrictions on executive powers. The initiative also called for constitutional amendments that would limit parliamentarians' terms to four years and the president's term to five years. It demanded a decrease in the president's authority and the total separation of the three branches of government, highlighting the need to isolate the judiciary from executive manipulation. Additionally, the initiative pointed out the need to separate the army from both the executive branch and partisan influ-

12 Freedom House, "Yemen Country Report," *Freedom in the World*, 2005, p. 705.

13 US Department of State, *Supporting Human Rights and Democracy: The U.S. Record 2004 – 2005*, Washington, US Department of State, March 28, 2005.

14 G. D. Johnsen, "Salih's Road to Reelection," *Middle East Report Online*, January 13, 2006.

ence. It also demanded improvements in the electoral system and a change to the electoral law so that a system of proportional representation would replace current individual candidate elections. Additionally there are claims that the Supreme Commission for Elections and Referenda's (SCER) decree 110 of 2005 has unfairly given the GPC over-representation in election committees. After unsuccessfully and repeatedly requesting that the SCER annul its decision, Islah filed a lawsuit against the Commission.<sup>15</sup> While some are hopeful that the platform signaled the formation of a coalition for the 2006 elections, others stress the fact that differences among parties in the past have been too great for such coordination to work. As of early 2006, it seemed likely that a common strategy would be attempted in the local elections in order to achieve a greater balance of power, but that this would be harder to achieve for the presidential elections, considering Islah's web of GPC-linked interests.

The state press reacted negatively to the initiative; however, the GPC does appear to have accepted some of its suggestions, for instance, those related to combating corruption. The Seventh General People's Congress Assembly was held in December 2005, and despite the announcement of a reform package, the opposition remains skeptical. In an entirely predictable act of political theatrics, the party requested that the president reconsider his decision not to run in the elections scheduled for September 2006. A final decision on this question was to be taken at an assembly convened for this purpose in the spring of 2006, further hampering opposition strategies. The conference's recommendations included: the formation of an independent national authority to fight corruption and the drafting of anti-corruption legislation (at the end of December the cabinet approved a law to regulate anti-corruption mechanisms, requiring the establishment of a Supreme Commission to Combat Corruption, which will be relatively independent and will focus on fighting corruption within government departments); implementation of the Judicial Sector Reform and Development Strategy (it was subsequently announced that the period for completion of this reform would be reduced from ten to four years); the establishment of a 15 percent women's quota in a range of political and state bodies; amendments to the local administration law to empower local councils to prepare budgets and execute development plans; and an expansion of legislative power by reconsidering the structure of the consultative council.

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15 [http://www.yementimes.com/newsarticle.php?a=20\\_2005\\_12\\_26\\_2](http://www.yementimes.com/newsarticle.php?a=20_2005_12_26_2)

Critics argue that no significant reform will be forthcoming until the regime is changed and that even if Saleh wanted to step down there are too many other vested interests that want him to remain in power. As of early 2006, legal political parties, a formal and free press and civil society organizations coexisted in Yemen with what by then had become an increasingly “dominant party” state apparatus and autocratic control of political power. Concern has been expressed about a continuing strong identification of state structures with the ruling party as evidenced anecdotally by the fact that the Ministry of Foreign Affairs provided a plane and accommodation for foreign ambassadors to attend the GPC congress in Aden.

Problems within the judiciary have hampered all efforts at genuine democratization. A low rate of cases filed in courts indicates a lack of legal awareness: only 127 cases were registered in 2005. Sources have told the Yemen Observer newspaper that the government’s allocated budget for the judicial sector for the year 2006 has been reduced by 25 percent.<sup>16</sup> As for media, the draft press and publications law, a revision of the 1990 law, which was initiated in 2004, is due for approval by the parliament. It was originally drafted without consultation with journalists, of whom many consider it even more restrictive. The law allows for the prosecution of journalists under the penal code, which sanctions prison terms for libeling the president and allows courts to sentence journalists to death. The Shoura Council submitted the draft of the new press law at the beginning of December 2005 to the Yemeni Journalists Syndicate to get feedback from journalists before submission to parliament for discussion and approval.<sup>17</sup>

Overall, the Yemeni populace has increasingly lamented the prevalence of what has been coined locally as “decorative democracy.”<sup>18</sup> Genuine political competition has diminished gradually since the initial opening of political space after unification. Political parties are weak; politics are monopolized by the GPC, which has steadily increased its share of parliamentary seats; harassment of journalists has intensified; corruption has become increasingly endemic; Saleh has become the longest reigning Arab leader, after Colonel Muammar Gaddafi in Libya; the judicial system is largely inoperative; parliament is supine; and local councils lack resources

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16 <http://www.yobserver.com/cgi-bin/yobserver/exec/view.cgi/1/8913>

17 [http://yementimes.com/newsarticle.php?a=20\\_2005\\_12\\_22\\_3](http://yementimes.com/newsarticle.php?a=20_2005_12_22_3)

18 ARD, Inc., “Democracy and Governance Assessment of Yemen. Final Report,” Washington: USAID, 2004, p II.

to fulfill their mandates. While Yemen's civil society has become one of the freest in the Arab world, in practice it remains beholden to patronage networks and competing family, clan and tribal structures. Moreover, Yemen has a poverty rate of 40 percent and is the only Arab state with Least Developed Country (LDC) status; such persistent poverty hinders Yemeni citizens' political participation.

## The International Response

### *International Engagement with an Arab "Reformer"*

The unification of Yemen offered the international community a rare opportunity to respond proactively to the prospect of a formal democratization process in an Arab state. However, Yemen's potential "breakthrough moment" coincided with its opposition to the use of force against Iraq during the 1990-1991 Gulf War. This opposition trumped any democracy-related overtures and led to a reduction in international aid flows, which had catastrophic economic effects for the country. The Gulf states suspended 200 million dollars in aid and expelled Yemeni workers from their territories, which in turn resulted in the loss of remittances (Saudi Arabia alone expelled 700,000 workers from its borders). Immediately after the war, the United States cut annual aid from 20.5 million to 2.9 million dollars.<sup>19</sup> It also cancelled all military cooperation, non-humanitarian assistance and the Peace Corps program.

Foreign assistance was slow to return and when it did, was restricted for the most part to basic development aid. Democracy support amounted to little more than the monitoring of legislative elections and rhetorical support for the incipient democracy. Otherwise, most aid was devoted to development and health issues, by the US; and trade and economic assistance, by the EU. A handful of US projects provided parliamentary and judicial training, but on a very small scale. Even though USAID supported international and domestic electoral observation, the US seemed more concerned with the prospect of Yemen's new electoral politics spilling over into neighboring Saudi Arabia. Deputy Assistant Secretary of State for Near Eastern Affairs David Mack declared in Sana'a two weeks after the 1993 parliamentary elections, "I don't think you should look on what you do here as a model for anyone else to follow." He also suggested that the

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19 International Crisis Group, "Yemen: Coping with Terrorism and Violence in a Fragile State," ICG Middle East Report N. 8, op. cit., p. 57.

US was looking for an improvement in Yemen's relations with its neighbors as the primary factor that would make it "more realistic to improve Yemen-US relations."<sup>20</sup>

The EU's 1984 Cooperation Agreement with northern Yemen was extended to cover the newly unified Yemen in 1995. In 1997, this agreement was replaced by an expanded framework cooperation agreement, covering commercial, development, economic, environmental, cultural and scientific cooperation. The EU's stated priority in Yemen was defined as the "eradication of poverty and human development, in particular food security, health and education."<sup>21</sup> Democracy assistance was not mentioned as a funding priority, although the first article of the agreement stated that its provisions would be "based on respect of democratic principles and fundamental human rights."<sup>22</sup> During the 1990s, the European Commission committed more than 150 million euros to Yemen, of which 60 million were allocated to economic and development projects and 74 million to food aid. The overall amount represented 20 percent of the total international assistance to Yemen. Annual amounts of EU aid increased towards the end of the 1990s, as political conditions worsened.<sup>23</sup>

Both the United States and European Union played modest roles in relation to the 1997 elections: the EU did so through support for female candidates and USAID via support for the Supreme Elections Council and political parties. The Joint International Observer Group in Yemen included 85 observers from the United Kingdom, Denmark, the European Commission, European Parliament, Finland, France, Germany, Indonesia, Ireland, Italy, the Netherlands, Norway, Poland and Russia; the National Democratic Institute (NDI) also sent 34 personnel. Despite irregularities, the international community judged that these elections had been, "on balance... reasonably free and fair." As noted above, notwithstanding formal competition between a number of parties, in practical terms the electoral process continued under the control of the GPC; and, in this context, the

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20 G. C. Gambill, "Explaining the Arab Democracy Deficit, Part II: American Policy," *Middle East Intelligence Bulletin*, vol. 5, nos. 8-9, August-September 2003.

21 European Commission – Council Communication, "Strengthening the EU's Partnership with the Arab World," Brussels, December 2003.

22 Official Journal of the European Communities, "Cooperation between the European Community and the Republic of Yemen," November 1997.

23 European Parliament, "Note on the Political and Economic Situation in Yemen," *op. cit.*, p. 10.

lack of serious Western criticism appeared to facilitate the start of a descent into increasing authoritarianism.

The frequency of visits to Yemen by US officials increased as of 1998, after a number of years of limited official contact. In 1999, Deputy Assistant Secretary of the Bureau of Near East Affairs Roland Neumann visited Yemen, reportedly in the wake of Yemeni uneasiness over the US-British strikes against Iraq at the end of 1998. Neumann expressed the United States' interest in using Aden Harbor as a re-fuelling stop. Saleh launched a new effort to deepen relations with the US and US diplomats committed to broadening cooperation with Yemen. In February 2000, President Saleh was the first Arab head of state to visit the European Commission, signaling a new effort to strengthen political and economic cooperation with the EU. That same year a "Friends of Yemen" group was formed in the European Parliament.

In 1998, a US military cooperation program commenced in Yemen, following the kidnapping of tourists by the Abden-Abyan Islamic Army. US officers provided anti-terrorism training to Yemeni security forces, including the Yemeni Special Forces, which had been placed under the command of Saleh's son after the Abyan kidnappings. The US Defense Department also initiated a de-mining program, which, by the end of 2002, had provided 9.3 million dollars in funding.<sup>24</sup>

During this period, other active donors included the IMF, World Bank, US (through NDI), Germany and the Netherlands. In 1995, the Yemeni government agreed with the World Bank and IMF to implement a macro-economic stability and structural adjustment program. Accordingly, World Bank assistance increased, with annual commitments rising to 120 million dollars, up from an average annual commitment of 48 million dollars during the previous decade. Following popular unrest due to a structural adjustment-linked increase in diesel prices, the IMF suspended lending temporarily in 1999. The World Bank's focus touched on governance issues, with programs supporting civil service reform, public financial management, reform of the procurement system, decentralization and anti-corruption. The United Nations contributed approximately 10 percent of Yemen's overseas development assistance (ODA), amounting to 30 million dollars in 1999. The United National Development Program (UNDP)

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<sup>24</sup> U.S. Department of State, "U.S. Humanitarian Mine Action in the Middle East: A Six-Year Progress Report," report released by the Bureau of Political-Military Affairs, Washington: US Department of State, December 6, 2002.

funded a modest number of programs on elections, human rights and decentralization. Germany and the Netherlands were the largest European government aid providers, with annual allocations between 25-35 million euros each; both of these state actors included governance as a formal priority and cross-cutting issue within their development programs in Yemen.

The National Democratic Institute became active in Yemen after it was invited to monitor the 1993 elections. In 1997, NDI established a full time office in the country and increased its work on party training, strengthening of the parliament and election monitoring. In 1999, NDI organized a major international conference titled “Emerging Democracies Forum: A Political Leaders Summit” with the purpose of documenting the government’s commitment to democracy. This event was the first in a series of international conferences on democracy held in Yemen because of the country’s ostensibly democratic credentials; however, no concrete follow-up or commitment followed.

In sum, despite many formal commitments during the 1990s to support governance reform, in practice, little democracy assistance was forthcoming, other than support for elections. Overall, Yemeni reformers expressed disappointment at the extent of international backing and, in particular, the paucity of support for links with other emerging democracies.<sup>25</sup>

### *Post-9/11: Security Cooperation and Political Reform?*

Security cooperation between the Yemeni government and the US grew closer after the terrorist attack on the USS Cole in Aden Harbor in 2000. After an initial Yemeni reluctance to cooperate, military cooperation resumed and expanded exponentially after 2002, with counter-terrorism initiatives accounting for the largest share of new US resources. Military aid increased from 125,000 dollars in 2000 to almost 15 million dollars in 2004. Additional, special support was made available through US military assistance for “frontline states” in the “war on terrorism.”<sup>26</sup> US Special Forces arrived, along with seaport and airport security specialists, who helped install surveillance systems at airports and border crossings. Press reports suggested that the United States and Yemen had set up a counter-terrorism center and that 3,000 US-trained Yemeni troops were

25 M. Miklaucic, “Yemen Political Reform Assessment,” Center for Democracy and Governance, US Agency for International Development, October/November 1998.

26 International Crisis Group, “Yemen: Coping with Terrorism and Violence in a Fragile State,” ICG Middle East Report no. 8, op. cit., p. 8.

deployed in rural areas to pursue militants. The US also began to assist Yemen in setting up a coast guard to prevent terrorist infiltration. Despite the importance to the Yemeni government of keeping the US presence low-key, a November 2002 incident with an unpiloted US drone, controlled remotely by the CIA,<sup>27</sup> revealed the US role in taking direct security action in Yemen.<sup>28</sup>

Confirming this shift in approach, Philo Dibble, acting Assistant Secretary of State for Near Eastern Affairs, asserted that after 9/11, counter-terrorism cooperation had become “the cornerstone of US-Yemeni relations.”<sup>29</sup> USAID described Yemen as “an important ally in the war on terrorism” and suggested that development assistance in Yemen was aimed at supporting the United States government’s foreign policy objectives in the war on terrorism. When USAID opened an office in Yemen in 2003, it stated that this office would “provide a development assistance component to the war on terrorism.”<sup>30</sup> Even the geographical choice of the five governorates in which USAID would work – Amran, Sa’ada, Al-Jawaf, Marib and Shabwa – was based on the consideration that these were the most fertile breeding grounds for terrorism. One US development aid worker argued that even if the overriding objective was counter-terrorism, the selected governorates were in desperate need of development aid anyway.

Meanwhile, thousands of terrorist suspects were arrested or detained in part, Yemeni officials insisted, due to US pressure. Yemen’s own prime minister complained of the United States’ excessive security-related demands in the framework of the war on terrorism. In the autumn of 2003, Amnesty International released a damning report on human rights violations carried out by security forces and the serious setbacks to human and political rights suffered in Yemen after 9/11.<sup>31</sup> Despite such reports, during a visit to Yemen in August 2004, US Under Secretary of State for

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27 This situation refers to one in which a CIA-operated, unmanned aircraft fired a missile at a car killing an al Qaeda suspect allegedly traveling with four members of the Aden-Abyan Islamic Army and an American citizen.

28 International Crisis Group, “Yemen: Coping with Terrorism and Violence in a Fragile State,” ICG Middle East Report no. 8, op. cit., p. 25.

29 Dibble also testified to Congress that health, education and agricultural assistance had increased as well. “Philo Dibble, Acting Assistant Secretary of State for Near Eastern Affairs, hearing before the Committee on International Relations House of Representatives One Hundred Eighth Congress, second session,” August 19, 2004.

30 U.S. Agency for International Development, Press Release, May 2, 2003.

31 Amnesty International, “The Rule of Law Sidelined in the Name of Security,” Amnesty International, September 23, 2003.

Political and Military Affairs Lincoln Bloomfield announced the lifting of the 14-year old embargo on weapons exports to Yemen.<sup>32</sup>

US assessments of the Yemeni government's commitment to political reform have been generous, apparently to an extreme. According to Ambassador Edmund Hull, a counter-terrorism specialist appointed as US ambassador in 2001, "Yemen is a regional leader in reform and we want to be part of the process."<sup>33</sup> Similar praise emerged from October 2003 talks in Yemen led by US Assistant Secretary of State for Near Eastern Affairs William Burns. The US embassy described the 2003 elections as Yemen's freest and most transparent yet. Less than a month later, Robert Muller, director of the US Federal Bureau of Investigation, held talks with Saleh in Yemen (in his third visit since 9/11) in which he expressed US support for Yemen in its war against terrorism.

In June 2004, Saleh, who had already made official visits to the US in 1990 and 2001, was invited to attend the G-8 Sea Island Summit to share and report on Yemen's "democratic reform experiences."<sup>34</sup> In January 2005, the US House of Representatives issued a resolution congratulating President Saleh for his commitment to political reforms and citing Yemen as a model for democratization in the Arab world. Later that month, President Bush praised Saleh for his efforts in fighting terrorism and in the fields of democracy and economic development. Domestic forces that challenged the government's track record on democracy have been viewed by the United States as security threats. US policy has exhibited particular concern over independent tribal leaders in remote areas – leaders who many analysts have suggested need to be included more fully in, rather than ostracized further from a process of political change.

At the same time, during 2004 and 2005 some increased US criticism was forthcoming. Since 2004, National Security Council officials insisted that their concerns over the lack of progress on democracy and human rights deepened and henceforth were raised more forcefully in Yemen, both at the ministerial level and with officials in the Ministry of Human Rights. Moreover, the State Department's annual reports have become more critical of human rights violations. The Yemeni government responded angrily in 2005, accusing the US of double standards and alluding to conditions

32 [www.arabicnews.com /ansub/Daily/Day/040902/2004090216.html](http://www.arabicnews.com /ansub/Daily/Day/040902/2004090216.html)

33 European Parliament, "Note on the Political and Economic Situation in Yemen," *op. cit.*, p. 6.

34 US State Department, Bureau of Near Eastern Affairs, "Background Note: Yemen," Washington: US State Department, September 2004.

in the Guantanamo Bay and Abu Ghraib prisons. Ambassador Thomas Krajeski caused controversy in October 2005 when he lamented how progress towards democracy appeared to have stalled. The Yemeni government retorted angrily that, "Democracy in Yemen is a matter that concerns the Yemeni people alone."<sup>35</sup> During his last visit to the US, in November 2005, Saleh reportedly received his strongest admonishment to date.

In 2004, the US increased its projects to strengthen democratic institutions, decentralize authority and provide electoral system support, usually through other organizations such as UNDP. The Middle East Partnership Initiative (MEPI) – the Bush Administration's Arab reform program – funded projects in legislative strengthening, electoral assistance and civic education. In 2004, the International Visitors Programs brought 22 non-governmental organization (NGO) activists, government officials and other leaders to the United States for training. In 2005, USAID continued to collaborate in programs on decentralization, electoral and legislative support. Due to limited Economic Support Fund (ESF) resources, additional funds for democracy and governance have been leveraged by MEPI. The budget from ESF funds for 2005 was 15 million dollars; the 2006 budget, however, failed to earmark ESF funds for Yemen, leaving the country with the prospect of a paltry 8 million dollar allocation. Despite interest in expanding the program into the areas of judicial reform and NGO support, no expansion in democracy and governance funds is expected before 2007. In a highly significant move, at the end of 2005, Yemen's qualification for the Millennium Challenge Account (MCA), President Bush's signature foreign aid initiative, was suspended. Its suspension was based on the worsening of Yemen's position on eight policy indicators, four of which it now failed: corruption, regulatory quality, trade policy and fiscal policy. Consequently, Yemen was denied access to 30 million dollars in funds (a review set for April 2006 could reverse the suspension if improvement is judged to have occurred).

In the economic sphere, the US has provided training to the customs authority and technical assistance to help with accession to the World Trade Organization (WTO); a bilateral investment treaty is also under discussion. United States institution-building support in the five remote tribal governorates – initially presented as projects related to stabilization in the fight against terror – has been defended recently, after criticism, as an attempt to benefit the citizens in those remote regions. Some US officials

<sup>35</sup> *Middle East International* (London), October 28, 2005.

have now denied the link to the fight against terror.<sup>36</sup> Training on human rights standards and civilian control of the military has been included within International Military Education and Training assistance and the Defense Department's Counter-Terrorism Fellowships.

After the US decision on the Millennium Challenge Account, the World Bank announced that it was reducing its aid to Yemen by 34 percent because of the worsening of the regime's performance indicators. The World Bank's three-year envelope, based on 2004 indicators, has decreased from 410 million dollars for 2003-2005 to 280 million dollars for 2006-2008. The World Bank indicators, widely used by the donor community, include, among other things, institutional and reform performance, portfolio performance and a governance discount factor. The World Bank criticized in harsh terms the government's performance in implementing agreed reforms and explained that the reduction was due to a failure on the part of the government to meet minimum standards of transparency, efficiency and improvement of the investment environment and its deficiency in fighting corruption.

From the EU's perspective, given the absence of major trade and economic interests, the reasons for seeking to enhance engagement in Yemen are of a security nature, with the overarching rationale being to prevent Yemen from becoming a failed state<sup>37</sup>. In response to the 2003 elections, the EU commended Yemen's government for continuing the process of democratization. Bilateral relations were strengthened in 2003 with the decision to launch a political dialogue at the Yemeni government's request. The EU argued that this political dialogue was the main instrument used to approach political reform issues. An initial meeting took place in July 2004, and was reported to have focused significantly on democratization. At the second EU-Yemen Political Dialogue Meeting, held on September 21, 2005 in Brussels, the EU suggested that further forward momentum was shown by the publication of the government's first annual human rights report (covering 2004). At the same time, some important points of concern were raised, including human rights issues, the death penalty, prison conditions, the judicial system, upcoming elections and independent election observers and press freedoms. It has been agreed recently that quarterly meetings will be held in Yemen, as well as bi-annual meetings with President Saleh.

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<sup>36</sup> *Yemen Times*, November 22, 2005.

<sup>37</sup> Yemen is already included in the scope of the UK's Fragile State Initiative.

European diplomats believed the reform focus was reinforced through the EU Strategic Partnership with the Mediterranean and the Middle East, adopted in 2003. In January 2004, a European Commission delegation office was opened in Sana'a. An EU funded conference – the Inter-Governmental Regional Conference on Democracy, Human Rights and the Role of the International Criminal Court – also took place that same month, with the EU citing the mere holding of the conference and the subsequent final declaration as examples of the Yemeni government's progress towards full-fledged democracy. Subsequently, there has been some disappointment about the lack of follow-up on the part of the Yemeni government after the two political dialogue meetings. The British ambassador suggested that EU support came from Yemen's willingness to discuss sensitive topics related to political reform and human rights to a greater extent than other Arab countries.<sup>38</sup>

In contrast to the United States, the EU as a collective body considered that its limited available resources did not allow for specific intervention in the area of counter-terrorism cooperation. Counter-terrorism has been carried out more at the bilateral level by EU member states, especially by the UK and French governments. France has developed active cooperation with Yemen in the field of security.<sup>39</sup> In February 2005, France and Yemen signed a new military and security cooperation agreement, whereby France would provide equipment and human resources for joint patrols in the Red Sea. The United Kingdom, together with Italy, has offered increased support for the Yemeni coastguard.

The EU's 2002-2006 Country Strategy Paper for Yemen highlighted food security, poverty reduction, good governance, democracy and respect for human rights and strengthening economic institutions as major sectors available for EU funding. The EU's 2002-2004 aid budget for Yemen amounted to 61-70 million euros. Support for food security has been by far the largest category of assistance, although this sector has been beset by problems of limited absorptive capacity. The democracy promotion aspect of the program has amounted primarily to providing support for the organization of the 2003 parliamentary elections through a project carried out by the UNDP to support the Supreme Commission for Elections (SCE). Nevertheless, it is significant that good governance, democracy and

38 *Yemen Observer*, October 15, 2005.

39 [http://www.diplomatie.gouv.fr/fr/article-imprim.php3?id\\_article=25993](http://www.diplomatie.gouv.fr/fr/article-imprim.php3?id_article=25993)

respect for human rights were formally included as funding priorities for the first time in the 2002-2006 strategy. A separate NGO support program managed by the European Commission committed 5.3 million euros between 2002 and 2005.

The Commission's 2005-2006 aid program reduced the priority areas to two: poverty reduction and strengthening pluralism and civil society. The number of projects was reduced and the budget allocation was 27 million euros, the reduction justified in terms of a lack of absorptive capacity. Under the proposed 2007-2013 budget, tentative yearly allocations to Yemen have been set at 15-20 million euros a year. The EU strategy highlighted as signs of progress the establishment of a Ministry of Human Rights and Yemen's ratification of the Rome Statute of the International Criminal Court. A commitment was made to increase support for presidential and local elections in 2006. For 2005-2006, 500,000 euros were allocated from the European Initiative on Democracy and Human Rights (EIDHR), with a focus on training for the internal security forces.

In terms of bilateral European aid, Germany and the Netherlands have continued to be the largest donors. Both states have preferred to fund projects in cooperation with the government of Yemen rather than through independent channels. For example, since 2003, Germany has been involved in the establishment of the anti-corruption commission within the presidential office and in providing technical assistance to the governmental Central Organization for Control and Auditing (COCA). The Netherlands has chosen to channel its human rights program through the Ministry of Human Rights. The 2005 budget for the German development agency (GTZ) was 9.5 million euros, double what it was in 1990; for 2006, a slight decrease to 8 million euros was planned, linked to the new Christian Democratic Union (CDU) government's efforts to cut spending. The Dutch government set a budget ceiling of 20.7 million euros in 2004, and in 2005 allocated 1 million euros to governance issues.

The UK's Department for International Development (DfID) has recently broadened its program in Yemen with commitments in 2005 of 6 million pounds (8.5 million euros) and a projected 10 million pounds (14.6 million euros) for 2006, including 3 million pounds (4.4 million euros) for the first phase of a project on security and judicial reform and 1 million pounds (1.5 million euros) to the Supreme Election and Referendum Commission. Through the UK Foreign Office, an additional 2 million pounds (3 million euros) were forthcoming, in 2005, for eleven projects ranging from professional training for women to journalist and district court training. The increased funding can be attributed to

concern over Yemen's status as a "fragile" state and fear of it destabilizing the region. Funds are expected to address the "root causes" of conflict and terrorism.

Likewise, France's concern over political and strategic considerations seems to have driven its recent increased commitment to Yemen. In 2002, France included Yemen in its *Zone de Solidarité Prioritaire*. Previously, the aid budget had been between 1-4 million euros a year; by 2005, this had increased to 8 million euros, with a projected total of 14 million euros for 2006. France's main focus is on rural development, education, culture and heritage; however, it now also has a program on "Democratic Governance and Security" with a budget of 2.7 million euros, which focuses on audit and public finance, judicial reform, decentralization and security. In recent years, Italy has also increased its contributions to Yemen, with a focus on health and the environment. For its part, UNDP has launched a decentralization program with funding of about 1.5 million dollars, a human rights program with the Ministry of Human Rights and an electoral support program. Yemen is one of the eight countries selected for the Millennium Project, with additional funding aimed at helping progress towards the Millennium Development Goals.

While funding to Yemen increased after 9/11 and Western governments still formally adhere to the line that they see the Saleh government as committed to reform, more recently some donors have become exasperated with the lack of genuine reform and in a number of cases have begun reducing funding levels. This appears to have provoked a reaction on the part of the government. The government has been anxious to be seen making changes so that the publication of World Bank indicators, in April 2006, is favorable enough to reverse aid reductions. The Yemeni government has recently taken the initiative of approaching the donor community to ask for advice on how to improve its performance in order to recover lost funds. As a result of this dialogue with donors the government drew up a new reform action plan that it presented to the donor community in December 2005. Despite vagueness in terms of timing, this plan outlines concrete commitments, starting with the creation of four working groups to address issues of political participation, rule of law, anti-corruption and economic governance, respectively. These groups will identify jointly twelve specific "achievable," which the government must attain by the end of 2006. The Aid Harmonization and Alignment unit of the Ministry of Planning, created in August 2005, has assumed this initiative and is engaging donors proactively.

## Assessing the International Response

After making an at least formal advance in political freedom, Yemen has slowly regressed to liberalized autocracy. The formal trappings of democracy have been increasingly rendered meaningless by state-managed control and selective repression.<sup>40</sup> Analysts lamented that a window of opportunity had opened, but then gradually closed.<sup>41</sup> Against this backdrop, the international community persisted in seeing the opening of that reform opportunity, yet was reluctant to acknowledge its subsequent closing. Only recently have some donors begun to react to the lack of genuine progress.

The Saleh regime has derived a considerable measure of legitimacy from the perception that Yemen is in the midst of a transition to democracy. This is a picture that the regime continues to paint and bolster through repeated allusions to how recently unification and democratization began and to the voluntary nature of its reform process. As Saleh stated, “We have adopted political reforms at an early stage, even before the vision of the US [in spreading democracy] evolved.”<sup>42</sup> One cabinet member argued that “national unity” and democracy were embarked upon at the same time as a common project without any external impulse, but rather due to domestic political will. The government claims that it is too early to pass judgment on its transition to democracy, given the lack of institutions in place when the process of reform began. A further claim is that economic stagnation has been a major stumbling block that has hampered genuine efforts at reform.

The international democracy promotion community seems to have been taken in – and perhaps knowingly so – by superficial reform commitments. The recent change in rhetoric by US officials and the suspension of MCA eligibility do not necessarily signal a reversal or drastic change in Washington’s policy towards Yemen. It could be suggested that the international community has referred consistently to the Yemeni government’s alleged commitment to reform as a means of entrapping it within its own reformist discourse. If this was indeed the strategy, Yemen is a case that suggests the limits to which regimes can be thus entrapped. Indeed, a period of genuine political opening seemed, subsequently, to

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40 D. Brumberg, “Liberalization versus Democracy, Understanding Arab Political Reform,” Washington: Carnegie Endowment for International Peace, Working Paper 37, May 2003.

41 I. Glosemeyer, “How Democratic is Yemen?” *Arab Reform Bulletin*, vol. 3, issue 2, March 2005.

42 [http://yementimes.com/newsarticle.php?a=20\\_2005\\_11\\_12\\_7003](http://yementimes.com/newsarticle.php?a=20_2005_11_12_7003)

“buy time” for its increasingly recalcitrant government. As such a pattern of events is not uncommon in new democracies, Yemen offers the international community a lesson in the perils of complacency and of the over-optimism that is often attached to “reform breakthroughs.” Alternatively, the international community could more critically be judged to have been disingenuous in its stated desire to encourage democracy in Yemen when its primary goal was stability all along. This preoccupation with security apart from democracy was captured in the words of J. Scott Carpenter, US Deputy Assistant Secretary of State: “You have a poor country that’s important to us strategically because we don’t want to see it become a failed state. Yemen’s right at this point where it could go either way. It’s a race against time.”<sup>43</sup>

In any case, in absolute terms, the scale of diplomatic engagement, political and economic interest, and political reform assistance has been limited, regardless of the slowly increasing presence and interest of donors. For both US and European governments, Yemen might have been declared a priority opportunity to assist an incipient political opening in the Arab world, but the resources and commitment commensurate with the challenge of Yemeni democratization were not provided. As one measure, development assistance per capita for Yemen remains at 13 dollars as opposed to the 85 dollars received by African countries (2003 figures).<sup>44</sup>

With the possible exception of MCA eligibility, Yemen has neither suffered meaningful punitive actions for its democratic regression, nor benefited from significant financial reward for being one of the first Middle Eastern states to espouse a reformist rhetoric. The scale of overall US aid to Yemen has been meager, in comparison to the amounts allocated to other non-democratic Arab states such as Egypt and Algeria. This paucity is all the more inapposite given the fact that Yemen is the only Arab state poor enough to qualify for LDC status. Donors are few in number, and their allocations to Yemen are limited. Increased attention has been witnessed as some Western governments have sought to prevent Yemen from becoming a failed state. However, persistent deficiencies in aid levels have weakened the influence of foreign donors; if it were not for the premium Saleh puts on Yemen’s image, in general, and his own, in particular, the

43 Quoted in D. Finkel, “US Ideals Meet Reality in Yemen,” *Washington Post*, December 18, 2005.

44 United Nations Development Program, “2005 Human Development Report,” UNDP, <http://hdr.undp.org/statistics/data/countries.cfm?c=YEM>

international community's leverage would have been even more negligible. Paradoxically, Yemen is relatively donor dependent in specific sectors such as water, but this has merely obliged donors to prioritize short-term chronic emergencies.

To some extent, the international community's focus on democracy promotion in Yemen has intensified since 2001-2002. It is clear that this heightened concern with Yemen derives from security preoccupations. This has bred many elements of Western policy undeniably inimical to fostering a dispersal of political power in Yemen. The obvious observation is that the emphasis on security cooperation has helped entrench an increasingly undemocratic government, allowing it to consolidate power by shielding its authoritarianism behind a cover of anti-terrorist cooperation. At the same time, however, it has brought the country's political shortcomings into sharper focus. More nuanced and critical statements have increasingly been heard from donors who for years showered Yemen's government with praise for its supposed commitment to political reform. There are indications that the international community is no longer as willing to accept Saleh's argument that he is the great hope for democratization in the Arab world. This change in official discourse might make Saleh realize that cooperation on security does not mean the US, in particular, will turn a blind eye to human rights violations and democratic failings. The US has reined back from presenting development aid as part of its counter-terrorism efforts. This indeed demonstrates that the tendency to counterpoise "democracy" with "security" is not always and entirely satisfactory. The increased security focus in Yemen has injected urgency into democracy promotion efforts. What remains uncertain is whether political reform initiatives introduced since 9/11 are merely palliative, contradicted and ultimately undermined by direct instrumental security cooperation with the Yemeni regime. Saleh has certainly retained the perception that he can garner international support by a combination of "hollow shell" democracy commitments and enhanced counter-terrorist cooperation with the West. It might be that his recent angry reactions to US criticism reflect some weakening of this self-assurance.

Democracy assistance has been channeled through the government or relegated to some civil society support and electoral monitoring. A greater focus on political reform has been achieved recently with the leveraging of MEPI funds. Even with the marked increase in democracy support with programs aimed at supporting parliament and decentralization, amounts committed to political reform and democratization are dwarfed by the amounts devoted to military cooperation. Yemen provides a useful

reminder of how donors can fund political reform programs over a sustained period of time that do not merely fail to deepen democracy but in fact proceed against a background of democratic deterioration at the political level. Both the US and EU have chosen to carry out relatively peripheral reform activities that have not addressed the heart of the problem of decreasing contestation and increasing repression.

In contrast to the US focus on security, the EU has traditionally devoted more of its efforts to development aid, advocating poverty reduction as a top priority. However, this focus has achieved no better results in the field of political reform. European policies have been predicated on the acceptance of the Yemeni government's stated will to democratize. Even when democracy-related concerns have been raised, blame has rarely been attached to the government; frequently, complaints are couched in statements like, "the government is encouraging reconciliation but an active opposition, inside and outside of Yemen, and harassment by security forces are making this problem more difficult."<sup>45</sup> This has been shown to be inadequate as an international response to Yemen's plight.

## Recommendations

It remains to be seen whether donors' intensification of the focus on political reform has arrived too late for Yemen, more than a decade on from the end of its civil war. While a "9/11 effect" has attenuated the neglect of the international community, it has not completely corrected it. Attention seems to have been redirected from other parts of the Arab world towards Yemen, but the degree of commitment is still insufficient. The presidential election in September 2006 will prove a genuine test of both Yemen's and the international community's genuine commitment to democracy. More effective international actions, as detailed in the recommendations that follow, will be required at this pivotal moment if the Community of Democracies is not to bear silent witness to a further atrophy of Yemen's one-time democratic potential.

- *Increase coordination among donors and with the government.*

As in other countries, better coordination is needed to mitigate overlap and ascertain what areas of reform are not being addressed by the internation-

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45 European Commission, "EU Commission Country Strategy Paper (2002-2006)," Brussels: European Commission.

al community of democratic states. This would require the drawing up of a comprehensive reform and development plan and would allow each donor to adopt leadership of the issues that most concern them. For example, the United States has already signaled that it gives priority to the issue of press freedoms and Washington probably has more leverage on this issue than any other donor. Conversely, the UNDP could lead on decentralization, with the expertise of Dutch and German development agencies. NDI could continue its focus on political parties and elections, while the United Kingdom, the Netherlands and UNDP intensify their ongoing work on judicial reform. All donors have expressed the importance they attribute to anti-corruption measures and this seems to have finally triggered some concrete responses from the Yemeni government. It has been suggested that, due to tribal and military issues, the president's position is not as stable as it was and that he needs allies. Donors should seize this opportunity and, knowing the importance that Saleh attributes to his image, they should engage in a more coordinated effort to maximize the opportunity of the current juncture. The office of Aid Harmonization and Alignment and its recent initiatives could be the perfect vehicle through which to engage reformists in such a concerted international effort. One problem is that as long as the US insists on subordinating its development and reform work to counter-terrorism objectives, other donors are reluctant to be seen cooperating with it. To facilitate broader harmonization between donors, the US should separate its security and democracy/developmental work entirely.

With the recent reductions in foreign aid having triggered a response, the path ahead should now rest on dialogue and concerted efforts at reform. Outside of an integral program of reform – convened with the government – there is room for strengthening reform movements, helping develop civil society, and most importantly, extending education. The United Kingdom, France and the EU could coordinate their civil society support programs in an effort to cover the myriad of existing NGOs and find viable partners throughout the country, not just in urban areas. This strategy would further serve to counter accusations on the part of the government that donors, uninterested in getting involved in details, are supporting organizations that are overly-politicized, ineffective and/or “one man shows.”

To coordinate their work, donors will have to be willing to give up some ownership of their projects, which many still appear unwilling to do. The British classification of Yemen as a “fragile state” has provided a focal point for other donors’ strategies. Overall, there is a need to show donor

commitment to the cause of Yemeni reform, and this would include greater aid allocations. In 2003, Yemen received 243 million dollars in ODA, representing 2.2 percent of its gross domestic product (GDP), a huge decrease from the 8.4 percent received in 1990. Additional interest in Yemen should not be limited to election times or to the latest democracy and governance conference organized in Sana'a.

- *Expand international support in the run up to local and presidential elections.*

In the run up to local and presidential elections, it is important to heed the opposition's calls for fair party representation in election committees. The UNDP already has a support program for the elections that is working both at the policy level (supporting the SCER) and the technical capacity-building level. USAID and the Netherlands contribute to this program. It would be important for the EU to sponsor an observer mission for the elections. Currently, the choice seems to be between sending a mission to Qatar or Yemen, when it could be argued that Yemen's case is more imperative. Election observers should be deployed well before the elections in order to avoid some of the past irregularities.

In relation to the elections, it would be beneficial to support the opposition's calls to reform the electoral law; for instance, having a system of proportional representation replace the current system of single party districts in which candidates are elected with only a plurality of the votes. The current system allows the GPC to secure more representation in parliament than the percentage of votes received. Linked to this reform of representation is the need for redistricting to avoid distortions that have benefited the ruling party.

- *Strengthen judicial reform support.*

The international community should endorse the Judicial Sector Reform and Development Strategy put forth by the government. In addition, support is needed for efforts to enhance the independence of the judiciary. For example, the international community should insist that the president be removed from his post as head of the Supreme Judicial Council. The importance of a functioning and independent judiciary and respect for the rule of law generally can be "sold" to the government as vital to economic reform and much needed foreign direct investment.

- *In bilateral talks with the Yemeni government, oppose the deterioration of press freedoms and the unacceptable terms of the new press law.*

The authorities have increasingly clamped down on media activity. There have been several cases of defamation lawsuits and legal harassment of the opposition and independent newspapers. Journalists have also been attacked and threatened for investigating corruption and not adequately consulted on a draft press law, which allows harsh criminal penalties for libeling the president. Donors could use a two-pronged approach that would, on the one hand, criticize unacceptable political actions and, on the other, provide training programs for journalists to help develop a more professional media.

- *Criticize the Yemeni government for spending excessively on security, while not allocating enough funds to development projects or other priorities.*

Defense and security spending, which already take up a large portion of public funding, is increased in the 2006 budget by more than 50 percent. Military expenditure for 2005 was four times the amount spent on health-care. This again relates back to the US emphasis on security cooperation, which allows the government to justify its military expenditures and its attempts at ensuring control throughout the country.

- *Assist economic reform.*

Yemen's economy presents huge underlying challenges. The rate of economic growth is hardly above the population rate, which is an unsustainable situation. The year 2005 was positive because of higher oil prices, but long-term challenges remain unaddressed: population growth, oil dependence (oil represents 70 percent of revenues), water depletion and human development. Political reform is less likely without international support to provide a firmer economic basis for democratization.

- *Emphasize the importance of creating an independent committee to fight corruption.*

The Central Organization for Control and Auditing was created to control corruption; however, it is answerable to the president. It monitors government revenues, spending, procurement and performance. A truly independent unit is needed. All donors claim to be tired of the endemic corruption that hampers other efforts. The GPC announced its intention to

create a new body after its conference, but the extent of the independence of this body is not clear. This is a point where pressure is necessary from the international community to ensure current plans for change take a democratic path.

- *Support decentralization and capacity building in local government.*

In 2001, the National Democratic Institute analyzed the decentralization law. Its findings suggested that no real authority was given to the local authorities. In each district, some local council members are elected, while the executive organs are filled with appointed, ministerial representatives. UNDP has a pilot program in 28 councils that could be a model for all of the total 333 councils. UNDP's donors should insist that more authority be given to the local councils, which should all be elected and have budgetary authority. Furthermore, governors should also be elected not appointed. These measures would help foster a culture of democracy at the local level.

- *The EU should show greater commitment to what it preaches in the area of democracy.*

The EU should upgrade its commitment to Yemen in terms of the number of personnel covering the country and its overall country presence. There has been a slow build up of activity since the EU opened its office in 2004, but a significant leap forward in terms of commitment is needed. The fact that the EU is still debating whether to send an electoral observer mission to Yemen is illustrative of the lack of importance attached to the country's reform. Without such practical upgrading, commitments to back democracy will continue to ring hollow.