“Happy Arabia” was the name given to the country by the Roman Empire centuries ago—centuries before the fate of its history dismantled the hope of its future. The area that is now known as Yemen was perhaps one of the oldest places of civilization in early Arabia and its fertile lands and location in the southernmost part of the Gulf made it a desirable place to reside. Quickly after the spread of Islam and the establishment of caliph rule, Yemen became a center for prosperity and wealth in classic Arabia. Whether it is separation of regions according to Islamic belief or the division of the state by Ottoman and British control, Yemen suffered years of separation and turmoil. And thus, what was once a center for trade and commerce fell into the hands of economic depression and years of economic struggle. Its recent times can be traced back through the years that have passed, and a history of external occupation, state division, and civil wars have spiraled Yemen into becoming the poorest country in the Gulf region, and led the Yemeni people into a long uprising in protest for economic reform and stability. In this paper I will first summarize the country’s modern history, then highlight the country’s failures at economic reform despite monetary aid received from financial organizations and neighboring Gulf countries, and finally, explain how the country’s past has influenced Yemenis to protest against their government, and demand an end to the corrupt Saleh regime.

There is no doubt that Yemen’s modern history has been greatly influenced by tribal systems and religious sects. Years of Yemen’s pre-modern history layout the area’s land
divisions according to different factors that would attract certain people to specific regions within the country. After the spread of Islam and the beginning of transition from central Arabia to the rest of the Gulf, religious sects within the fairly new religion began to form causing conflicts between people of different beliefs. In Paul Dresch’s *A History of Modern Yemen* (2000), two Islamic sects are described in particular and both sects were the first to settle in parts of Yemen. For centuries, the Zaydi Shi’ite Muslims settled the eastern part of country called Ḫaḍramawt, as well as the northern part of the Yemen’s western mountains that included the modern day capital city of Sana’a. According to Dresch (2000) the Zaydi’s essential belief was that “legitimate rule descends from the Prophet’s line, the line of his daughter Fāṭimah and son in law Alī ibn Abī Ṭālib.” (p. 15). The Zaydis under their dominant Imams eventually came to rule over much of Yemen. Another Islamic sect was the Shafi’i school of Sunni Islam. Shafi’i Islam had no essential ties to Prophetic lineage within their rule over the plains along the coast of the Red Sea, the southern part of the western mountains, and the southern Yemeni region. The Shafi’i’s believed that religious education and practice was essential in life and most were open to accepting people from different regions of Yemen as converts.

Tribal systems were an important part of Yemeni life before and during Ottoman and British rule. Often times, tribes would fight to defend their lands from being taken by other tribes and the dominant Zaydi Imams who seemed to rule most of Yemen. In upper Yemen, families from the tribes of Hishad and Bakil, fought to free themselves from the Qasimi Imams that had all power in Yemen, before the Anglo-Turks came into the country. The tribes would agree on which lands they towns and cities they wanted, invade them, overthrow their Imams, and intermarry with the opposing tribes women to ensure that the towns belonged to them. Other tribes who were mostly Shafi‘i in southern Yemen known as the Quhra and Zaraniq, showed
great power against the external powers within the region, especially the Ottoman Empire. Although some tribes sought protection from the Ottoman and British powers, others were unwilling to have them occupy and take over their cities that were sources of wealth (Dresch, 2000, p. 16) Families relied on their tribes for protection since there was not yet a unified system of defense.

In addition to fighting for their land, the tribes were dedicated to protecting and providing for their people, and market places were always filled with the goods that the tribal families needed. The economic system at the time was fairly stable as Yemen was a land of rich resources and fertile land for growing crops. While most of Yemen’s northeast region is nothing but barren desert, cities like Ibb, Ta’izz, and Jablah became known as the “bread basket” of country because of their fertile grounds, adequate climate, and plentiful rainfall. This lush land was surrounded by mountains and became the main center for coffee—the crop that Yemenis of this region depended on most as their source of income. These farming towns became part of lower Yemen, and Dresch (2000) writes that the fertile region’s “productive capacity is immense, and the agricultural wealth of the region, if nothing else, makes this the ‘real’ Yemen” (p. 13). Separated by an imaginary borderline that can be drawn right under the city of Ta’izz, another golden city, known as Aden, lies on the southern edge of the country and is known mainly as the ‘eye’ of Yemen (p. 13). The port city has a highly strategic location along the Gulf of Aden that lies between the Red Sea and the Arabian Gulf. The importance of this city is highly significant as it allows Yemen to participate in the oceanic trade like many of the Gulf countries at the time. To the east, the region of Ḥaḍramawt, became the area most known for tribal systems. Although not as fertile as the lower Yemeni cities, the region was rich in date production.
When the time came for the Ottomans and British to seize control over the country’s regions, Yemen’s cities were prosperous centers of agriculture, trade and wealth. Yemen’s cities became popular for spice trade and tall buildings. For this reason, external powers began to spread their empires into Yemen to better suit their interests. Tharoor (2011) writes that by the 19th century, the Ottoman Empire who controlled most of Arabia at the time began to occupy and settle in parts of northern Yemen, above the imaginary Ta’izz borderline. Quickly, the Ottomans took control of the newly discovered agricultural cities including Sana’a, which was a coffee growing town at the time. The city of Aden was a prized location for the British East India Company as it served as a middle stop between Europe and their Indian colonies (p. 1). Tharoor (2011) writes that in 1832, the British were finally able to capture Aden, enter much of southern Yemen, and seize the port city by 1839. After the external powers had made their claims, Yemen’s map looked divided mainly into a northern and southern part with the Ottomans and Zaydi Imams controlling the north, and the British controlling the south (p. 1). With the opening of the Suez Canal, Yemen and more specifically Aden became even more important to the British, because it was served as a main stop on their way to and from India from Europe (Dresch, 2000, p. 22) It was evident that the powers were not willing to give up their parts of Yemen, especially the British, who were willing to put up a tough fight before leaving the country and Aden.

In 1905, Yemen had established a formal border separating North from South Yemen (Dresch, 2000, p.219). The Ottoman and British control over Yemen allowed for treaties between them and important Yemeni tribal leaders and Imams. The Ottomans in the North established a treaty with the Zaydi Imam Yahya who came to power over northern Yemen in 1904. The treaty formally recognized the Imam as the ruler of the region and also implemented
an Ottoman type of military “in which some hundreds of Yemenis served, offered a certain model of discipline and order, and administrative divisions established by the Ottomans have often lasted until the present day” (Dresch, 2000, p. 22). Meanwhile, *The Columbia Encyclopedia* (2008) reports that in the south of Yemen, the British were busy making several protectorate treaties with local tribal leaders between the years of 1886 to 1914. It also summarizes that, “In 1937 the area, which by then consisted of 24 sultanates, emirates, and sheikhdoms, was designated the Aden Protectorate and was divided for administrative purposes into the East Aden protectorate and the West Aden protectorate” (p. 2). Therefore, it can be assumed that within the southern region, tribal clashes and wars occurred frequently as main ways of deciding which tribe rulers will gain control of specific areas.

At the end of World War I, in 1918, the Ottoman Empire became too weak to keep control over Northern Yemen and finally left the country leaving power in the hands of Zaydi Imam Yahya. Imam Yahya tried to expand his territory, and doing so by very little he was faced with Saudi invasion and disputes with the British in the south in 1938. To end the small wars between Yahya’s Yemen and the Saudis and British a new territorial treaty was established which redefined borders in Yemen. In 1945, Yemen became part of the Arab League, and after the assassination of Imam Yahya in 1948, Yemen joined with Egypt and Syria in the United Arab States—a pan-Arabist movement in the 1960s. Two successors after Imam Yahya spiraled northern Yemen into a revolt against the new neutralist type of government led by pro-Egyptian officers in northern Yemen’s army. The Imam was eventually ousted from the ruling chair only to lead a group of royalists supported by Saudi Arabia and Jordan against the new Egypt supported republic that was forming. Finally, by 1970 Saudi Arabia ended support to the Yemeni royalists, and Egyptian troops toppled the royalist government for good, establishing the Yemen
Arab Republic (YAR). The Egyptian troops who supported the YAR had more clashes with the Saudis who supported the Imams and Great Britain in the years following the recognition of the YAR (The Columbia Encyclopedia, 2008, p. 2). The conflicts in the newly formed YAR were no longer just disputes between the Yemeni people, but international disputes in which countries in the Middle East were highly involved.

At the same time that clashes emerged along the north and south Yemen border, two nationalist opposition groups known as the National Liberation Front (NLF) and the Front for the Liberation of South Yemen (FLOSY) formed in protest of the British controlled federation in South Yemen. And, by 1966, Britain had promised to withdraw from southern Yemen in 1968. The NLF became the leading opposition party and would not settle for any more British control. In 1967, The Columbia Encyclopedia (2008) reports that the NLF “forced the collapse of the federation after taking control of the governments of all the component states” (p. 3) in southern Yemen. This led the British to make a rapid withdrawal from south Yemen in the same year and granting southern Yemen its independence. But, the closure of the Suez Canal in 1967 greatly hurt Aden’s trade market, and South Yemen’s economy began to weaken (The Columbia Encyclopedia, 2008, p. 3). In 1970, under the newly elected President Rubayi Ali, south Yemen established its first constitution and became the People’s Democratic Republic of Yemen (PDRY). Abdalfattah Ismail who signed a twenty-year treaty with the Soviet Union eventually overthrew Ali and led the PDRY into Marxism (The Columbia Encyclopedia, 2008, p. 3).

In 1972 civil war broke out between the YAR and the PDRY, and a treaty was called to end the fighting and merge the two countries into one. By this time the economies of the two Yemeni states were staggering and hopeless. The two states had always relied on money that they received from migrant laborers that worked abroad, but even these remittances were not
enough to cover the two states’ expenses. Oil prices began to soar with in 1974, making it harder for the two states to receive the amount of funding that they had been receiving from other countries as well as receive their own income from the little oil and gas resources they had. (Dresch, 2000, p. 156). Even the Organisation for Economic Co-operation and Development (OECD), countries at the time which consisted of North America, Japan, and Western Europe were facing recession due to the rising prices of oil, and could not offer Yemen the amount of foreign aid that it needed. Dresch (2000) reports that during the time “North and South Yemeni governments alike spent enormous amounts on the police and military, and both amassed huge external debts they had scant hope of paying off” (p. 157). Finally, after on and off civil wars and struggling through economic crises, the two states became one united Yemen in 1990 (Dresch, 2000, p. 183). Presidents Ali Abdullah Saleh of the YAR and Ali Salim Al-Bidh of the PDRY agreed on a joint constitution that affirmed Yemen's commitment to free elections, a multiparty political system, the right to own private property, equality under the law, and respect of basic human rights” (Bureau of Near Eastern Affairs, 2012, p. 5). President Al-Bidh became vice president under President Saleh, and a new Yemeni parliament was quickly formed. Crowds celebrated the merging of the states, but little did they know that years of economic struggle awaited them.

As preparations for a new unified Yemeni government took place, another conflict was stirring up in within the Gulf that would include Yemen just as much as it included the United States and a coalition of several forces. In August of 1990, Saddam Hussein invaded Kuwait, beginning what would become the Second Gulf War. The Iraqi invasion of Kuwait triggered much international interest and became a major conflict of Western and Arab politics. Among the 15 UN Security Council members was Yemen—the only Arab country on the council at the
time. Going against the 14 others council members, Dresch (2000) writes that, “When Iraq’s invasion of Kuwait was formally condemned, Yemen’s was the one abstention” (p. 185). Siding with the Iraqis, Yemen called for an ‘Arab solution’ to the crisis and did not support the international intervention of Western forces in Kuwait (Dresch, 2000, p. 185). This Yemeni decision was damaging and the effects that it would have on the economy of Yemen were tragic. Outraged by Yemen’s support for Iraq, the Kingdom of Saudi Arabia expelled thousands of Yemenis from the country, forcing them to give away all that they had and return to Yemen. The influx of Yemenis that were returning home was damaging to the economy for two reasons. The first was that Yemen could no longer depend on the remittances that it was receiving from the migrant Yemeni workers, and secondly, foreign aid from the countries of Saudi Arabia and Kuwait was stopped, leaving Yemen in the worst of economic conditions (Dresch, 2000, p. 186). Yemen had not anticipated the reactions that it would receive for siding with Saddam and the Iraqis, and this decision was perhaps one of the most hurtful for the country’s already fractured economy. The newly formed country was still suffering war debts from both the northern and southern regions, and an end to foreign aid from countries like Saudi Arabia would make it almost impossible for the country to climb out of debt.

It would not be fair to say that the Second Gulf War was the main reason for Yemen’s spiral into poverty. The years of warfare from the once two states had built the background of Yemen’s economic downfall. Dresch (2000), summarizes that, “The Yemeni riyal had fallen in the 1980s from 4.5 against the US dollar to 12 or so, and in 1990-1 it dropped to 30. It has since then, without international crisis, dropped to near 160 (as of mid 1999) and on occasion it has sunk still lower” (p. 186). Years before war, Yemen was a prosperous and wealthy nation, but along with state division and several years of war Yemen went from prosperous to broken to
hopeless. The Bureau of Near Eastern Affairs (2012) reports that since unification, the government of Yemen has tried to build one stable economy by repairing two desperate ones, yet instances of civil war in 1994 would not allow any improvements. Struggling to ensure reform on its own, the government of Yemen has turned to international monetary organizations and more foreign aid from several countries for help.

In 1995, at the end of another small-scale civil war, Yemen began its relationship with the International Monetary Fund (IMF). The Yemeni government and the IMF made an agreement that the IMF would help to rebuild the structure of Yemen’s economy under the conditions that Yemen would perform several reforms. The newly adopted “IMF program included major financial and monetary reforms, including floating the currency, reducing the budget deficit, and cutting subsidies” (Bureau of Near Eastern Affairs, 2012, p. 6). Yemen’s inability to carry out the reforms expected by the IMF eventually led to the collapse of the agreement. In 2010, another IMF program was proposed, this time ensuring that Yemen would receive an Extended Credit Facility (a form of financial assistance given to countries who are suffering a balance of payments crisis) worth 370 million dollars. In order to receive the monetary aid over a period of 3 years, Yemen had to agree to make tax reforms, as well as cut down on subsidy and governmental spending. But, political problems in 2011 would not allow Yemen to fulfill this promise either. Instead of giving up on the country the IMF still works with the Yemeni government in order to find suitable economic reform programs that will allow the country to climb out of poverty (Bureau of Near Eastern Affairs, 2012, p. 6). To say that the country of Yemen has not been given any chances to reform the economy would be false, and Yemen’s repeated failures are only more damaging.
In accordance to working with the IMF, Yemen has turned to other world organizations for aid too. Starting in 1998, Yemen began asking for and considering the World Bank’s suggestions and proposals for economic reform. The World Bank’s assistance in Yemen has been beneficial to the sectors of employment, education, and even water sanitation and distribution. Together with the IMF and international foreign aid providers the World Bank continues to work with the Yemeni government on ways to implement reform projects. Among Yemen’s most important providers of foreign aid are the countries of Germany, Japan, Saudi Arabia and the United Arab Emirates. In 2006 alone, Yemen received 4.7 billion dollars in foreign aid proposals. But, no money can be distributed if the country remains unwilling or unable to initiate economic reforms. After a terrorist threat to the United States was traced back from Yemen in 2010, a meeting was held in the United Kingdom forming the Friends of Yemen organization, which included the G-8, members of the European Union, the states of the Gulf Cooperation Council and other small organizations. Two committees were formed in hopes that reforms in Yemen could take place economically, politically, and justly (Bureau of Near Eastern Affairs, 2012, p. 7). But, the Friends of Yemen did not get too far in implementing plans for reform, because of the political unrest that was developing within the country in 2011.

Although Yemen’s oil and gas exports have been a reliable source of income for the government’s economy, the country remains unable to make a well-organized budget out of the oil exports revenue. According to the Bureau of Near Eastern Affairs (2012), oil was first discovered in Yemen in 1982, in the south and in 1984 an oil basin was found in the city of Marib. There, an American company began building an oil refinery that would be put to work by 1986. The Soviets also found oil in areas of southern Yemen and oil production and Western exports began in 1993. The newly formed oil companies in Yemen made long term production
sharing agreements with the government, which were later ended by Yemen, in order to gain
more business for a newly established company that was controlled by the Yemeni government
generated approximately $1 billion in revenues” and recently “By 2010, oil exports had grown to
approximately $5.5 billion and comprised roughly 70% of governmental revenue” (p. 8). The
growth of oil revenue has shown significant growth throughout the past 15 years, yet the county
still fails to make the economic reforms necessary to ensure IMF funding and foreign aid. For
this reason and several others, the country’s government has been accused (by its own people) as
being corrupt, and poverty levels within the country have only continued to increase leading the
Yemeni people into a state of panic.

In February 2011, tensions among the Yemeni youth were running high. Following in the
footsteps of the Tunisians and Egyptians before them, Yemeni activists gathered near Sana'a
University to protest against what they claimed was President Ali Abdullah Saleh’s autocratic
regime. Saleh was a former colonel in the Yemen Arab Republic (North Yemen) before he
became President of the YAR in 1978. Under his Presidency North and South Yemen were
joined in 1990 making him the leader of the newly formed state of Yemen. Although challenged
with civil war in 1994, repeated clashes between northern Yemen and southern Yemeni
opposition groups, and excessive violence within the country, President Saleh was re-elected for
what would later become his last time in 2006 (Chamber’s Biographical Dictionary, 2007, p. 1).
Reports say that President Saleh’s main interest was not handling clashes within Yemen during
the time of the uprising, or in the economic reforms necessary to re-build the countries economy.
Instead, he invested his time in figuring out ways to transfer his power to his family members in
the case that he would not be elected again (Erlanger, 2010, p. 1). For the Yemeni people
however, over 30 years of Saleh corruption seemed to be enough, and fears that the President’s power would become a family affair outraged the population.

Violence filled the streets as activists protested for Saleh and his family to give up rule over Yemen. The youth demanded economic and social changes and an end to government corruption in order for to get better jobs, finish their education, and ensure a successful future. The CIA World Factbook (2012) reports that of Yemen’s population of over 24 million people 45.2% are living below the poverty line, and 35% of the population is unemployed. While Yemen owes over 6 billion dollars in external debt, President Saleh’s Al-Saleh mosque was built a few years back and is worth 120 million dollars (Erlanger, 2000, p.1). A Foreign Affairs article by Abdullah Al-Qubati (2011) reports that when interviewed the Yemeni youth justified their reasons for protest by saying that they “lost the ability to continue life as it should be” and that they could not finish their university education “due to lack of expenses for housing, food, books, and fees” (p. 1). The protests were held peacefully, but Saleh’s thugs were paid by the regime to counterattack the protesters turning the Yemeni uprising into a pool of bloodshed. Qubati (2011) reports that, “the men were mercenaries paid by Saleh’s party, the General People’s Congress. Government officials transported the men to the university and provided them with weapons and banners supporting the president” (p. 1). The grief of poverty had stricken the Yemeni population and violence had broken out leaving thousands oppressed and killed. President Saleh seemed less concerned with the stability of the country and the safety of his people and more engaged in ensuring that his regime would remain in power.

Later that month, the Washington Post reports that nine members of the regime’s General People’s Congress (GPC), resigned. The GPC had always been Saleh’s leading political party in the Yemeni government, but the resignations showed signs of weakness within the legislative
party. Because of the excessive protests and the resignation of the GPC members, different tribal leaders and clerics within Yemen began making plans for a peaceful transference of power once President Saleh agreed to resign. Intimidated by these plans, President Saleh announces in March of 2011 that he is no longer seeking re-election in 2013. This however, did not stop the protesters from demanding him to step down immediately (Sanders, 2011, p. 1). Finally, after nearly one year of protests, President Saleh stepped down in February 2012. Uprisings still continue to ensure that the former president is tried and charged for the violence used against the protesters. For years the Saleh had stood by and watched as his country’s economy weakened and poverty had taken over the streets of Yemen, and the people of Yemen will not stop until he is put to trial. Almasmari and Clermont of *USA Today* (2012) report that, “Saleh’s family and cronies remain in key government ministries and military posts and continue to run the country for their own benefit” which have lead to continuous uprising despite Saleh’s resignation. The presidency now rests in the hands of Abed Rabbo Mansour Hadi, but is greatly influenced by former Saleh’s political party (Almasmari & Clermont, 2012, p 2). The people of Yemen spent months of protesting, and it seems that Saleh’s regime is still behind each governmental decision. Although the outcome of the Yemeni uprising was somewhat beneficial, the Yemeni people are determined to protest in the streets of Sana’a until a true democracy is established.

The Yemeni uprising was mainly in favor of economic reform within the country, but the year of unrest leaves the economy at the hardest of times. This is especially true in southern Yemen where protesters argue that they have been mistreated and discriminated against socially, politically, and economically since the unification of Yemen in 1990. The United Kingdom Foreign and Commonwealth Office (2011) declares that, “The economy may have shrunk by as much as 10% in 2011, inflation has hit 23%, and unemployment among the youth could be at
Pipelines in the city of Marib were also reported as recently damaged, which is causing the government to lose a great amount of oil as a natural resource. Once repaired, the oil loss will be under control and more exports of oil can be made ensuring revenue. Reports of malnutrition in children under the age of five are repeatedly brought to attention, and water is sparse within the country (Foreign and Commonwealth Office, 2011, p. 3). Reforms to government spending, as well as providing jobs for the unemployed population will greatly decrease the number of people living below the poverty level. It will take time for Yemen’s economy to become stable once again, and it is highly important for the country to stay out of any instance of civil war or conflict.

In conclusion, Yemen’s path from prosperity to economic despair can be summarized by the years of colonialism, division, civil war, and corruption of it’s past history. Years of wealth and richness of natural resources, fertile lands, and bustling seaports drew the attention of the Ottomans and British to claim Yemen as their own. Once freed from the external powers that came into control Yemen laid divided into a Republic North and Marxist South. The conflicts that began because of the borders escalated to devastating civil wars that led the country into excessive military spending in a time of economic recession. 1990 brought about an opportunity for economic re-building and reform as the YAR and PDRY became the unified Republic of Yemen. Two staggering economic systems were given a blow as crisis in the Gulf region would bring an end to much needed foreign aid and an influx of hundreds of thousands of displaced citizens. The hopes of reuniting and becoming one Yemeni nation were lost as civil war broke out again. After 1995, Yemen’s economy was in despair, and failed attempts at reform seemed to become a pattern under the Saleh presidency. Instead, the regime’s corruption led to a long and violent uprising, proving that the country’s history has given reasons for its current economic
instability. The political reforms that are being made now are crucial to the country’s economy. Yemen should not take the recent governmental changes for granted, and neglect programs of reform as it has done in the past. Instead, the country should use this time of transition as another chance at improving the future of its people.
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