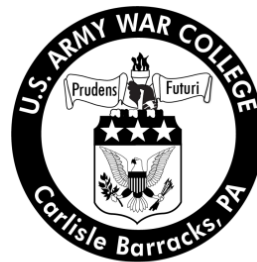


The Implications of Unstable Yemen on Saudi Arabia

by

Colonel Hassan Abosaq
Saudi Arabia



United States Army War College
Class of 2012

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USAWC STRATEGY RESEARCH PROJECT

THE IMPLICATIONS OF UNSTABLE YEMEN ON SAUDI ARABIA

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ABSTRACT

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This project will identify the most significant ways in which Saudi Arabia might be influenced by the current instability of Yemen. Factors to be examined include Yemen's potential impact on Saudi Arabian society, economy, and security. The project will include historical background information on Saudi Arabia, Yemen, and the evolving nature of their relationship. Once the most relevant factors for future interaction have been identified, they will be explored thoroughly.

THE IMPLICATIONS OF UNSTABLE YEMEN ON SAUDI ARABIA

Saudi Arabia and Yemen are two neighboring countries that have a long and complicated history. Saudi Arabia is the world's largest oil-exporting country with an excellent economy and a stable government. Its southern neighbor, Yemen, is the opposite. It is the poorest country in the region and has never been fully stable since its independence from the Othman Empire in 1918. Recently, the situation of Yemen's stability has worsened and it is on the verge of becoming a failed state. There is a strong possibility that government authority in the Republic of Yemen is going to erode in the coming months as a result of multiple pressures despite the late agreement between President Saleh and the opposition. This could lead to a possible complete failure of the state which would have critical regional and international implications especially for Saudi Arabia. A failed Yemen would pose a serious threat to Saudi Arabia.

This paper will attempt to explain the implications of a failed state in Yemen on Saudi Arabia's security, economy, and society. The implications on Saudi Arabian security would include threats of terrorism, organized crime and smuggling, small arms proliferation, piracy, and the fragmentation of Yemen. The implications on Saudi Arabian economy would include humanitarian and large flow of refugees, change of demographics in the Saudi southern provinces, and immigration. The implications on the Saudi Arabian society would include rise of unemployment, rise in border protection budget, increase in counterterrorism budget, increase in counter organized crime and counter smuggling budget, subsidies for influential figures in the failed state, and humanitarian aid for refugees and internally displaced Yemenis.

Background

Saudi Arabia, the birth place of Islam and home to Islam's two holiest shrines in Mecca and Medina, was founded in 1932 by King Abdulaziz Bin Abdulrahman al-Saud after a 30-year campaign to unify most of the Arabian Peninsula. Saudi Arabia is a monarchy which governs according to Islamic law. Its area is about 2,150,000 sq km which is slightly more than one fifth the size of the United States. Saudi Arabia has more than 2,600 km of coastline and more than 4,400 km of land boundaries of which it shares 1,458 km with Yemen. The population of Saudi Arabia is 26,131,703 (July 2011 estimate) which includes about six million non-nationals.¹ Saudi Arabia has an oil-based economy with strong government controls over major economic activities. About 20 percent of the world's proven oil reserves are in Saudi Arabia. Saudi Arabia, with about 10,000,000 barrel per day, is the largest oil exporter. The GDP per capita is \$24,200 (2010) and the unemployment is 10.8% (males only). This number is higher among youth 15-24 (28.2%).² Saudi Arabia has experienced some terrorist activities in the past which are conducted mainly by extremist Islamic militants linked to al-Qaeda terrorist group.

Today's Republic of Yemen is formed by the unification on 22 May 1990 of the Yemen Arab Republic (North Yemen) and the People's Democratic Republic of Yemen (South Yemen). North Yemen gained its independence from the Othman Empire in 1918 and was an Imamate monarchy from that time until 1962 when a group of Arab nationalist officers overthrew the Imam in a coup. This led to a five-year civil war in the North between the new Republicans backed by Egypt and the royalists backed by Saudi Arabia in which the Republicans came out victorious. South Yemen gained its independence from Britain in 1967, and three years later its government adopted a

Marxist orientation. The Republic of Yemen has a semi-autocratic-semi-democratic government. Yemen's area is 528,000 sq km which is slightly larger than twice the size of Wyoming. Yemen has 1906 km coastline and about 1750 km land boundaries of which about 1,458 km is shared with Saudi Arabia. The population of Yemen is a 24,131,492 (July 2011 estimate) of which about 43 percent is under the age of 15.³

Yemen is a low income country that is highly dependent on declining oil resources for revenue. The GDP per capita is \$2,700 USD which ranks 172 in the world.

Unemployment is 35 percent (2003 estimate), inflation is 11.2% in 2010 (ranks 206 in the world), and 45.2% of the population is below poverty line. Forty-five percent of the population live on less than two dollars per day. The population growth rate is 2.65 percent and the population is set to double in the next twenty to thirty years.⁴ After

South Yemen's government adopted Marxism, hundreds of thousands of South Yemenis fled the South to North Yemen and also to Saudi Arabia. This conflict led to more than two decades of hostilities between the North and the South and also between the South and Saudi Arabia. In 1994, after only four years of unification, a civil war broke out between the North and the South in which the North came out victorious and strengthened their grip over the government and the economy which alienated the Southerners.

Saudi Arabia is Yemen's most influential and important neighbor and Yemen's future is deeply tied to that of Saudi Arabia. Saudi Arabia has had a historically difficult relationship with Yemen. In the 1930s there was a war with the Imamate Yemen over Saudi Arabia's Southern provinces of Asir, Nejran, and Jizan. In 1969, there was a war with what was then the People's Democratic Republic of Yemen, South Yemen, over

the Wadiaa town in the Empty Quarter. The relationship between Yemen and Saudi Arabia has been very strong in the past decade after having its ups and downs in the years before. Major events in Yemen have almost always had repercussions in Saudi Arabia. Saudi Arabia has always provided foreign aid to Yemen's government and also subsidies and support to various Yemeni tribes and religious institutes. Saudi Arabia's foreign aid to Yemen is often more extensive than that provided by any other country.⁵ After the North Yemen civil war ended in 1970, in which Saudi Arabia supported the loosing opposition royalists, Saudi Arabia and Yemen maintained an acceptable relationship until 1990.

Saudi-Yemeni Relations

In 1990, the newly formed Republic of Yemen leadership supported Saddam Hussein when he invaded Kuwait. Yemen's support for Saddam Hussein and its condemning of Saudi Arabia's acceptance of foreign troops into the Kingdom upset Saudi Arabia and other Gulf states and was viewed as a betrayal. This consequently led Saudi Arabia to revoke the special status of Yemenis allowed to work in Saudi Arabia which they had enjoyed for many years. The Yemenis have enjoyed special status in Saudi Arabia where they did not need a visa to visit or work, and millions of Yemenis had benefited from this special status. Yemen's siding with Iraq led to hundreds of thousands of Yemenis leaving Saudi Arabia, resulting in a massive negative impact on Yemen's economy. The relationship between Yemen and Saudi Arabia remained hostile for several years after the first Gulf War (Desert Storm). Saudi Arabia sided with the South Yemen separatists in the 1994 civil war. Late that year and early 1995, there were short border clashes between Saudi Arabia and Yemen over border disputes. In the second half of the 1990s, the relationship between Yemen and Saudi Arabia

resumed its normality and Yemeni workers returned to work in Saudi Arabia. There are now an estimated 500,000 Yemenis working in Saudi Arabia legally and about as many working there illegally.⁶ Border disputes between Saudi Arabia and Yemen have been a major issue throughout their neighboring history. After more than 65 years of sporadic conflict, Saudi Arabia and Yemen finally agreed on where the border lay, culminating in the 2000 Jeddah border treaty. On June 12, 2000, the leaders of Saudi Arabia and Yemen signed this bilateral treaty in Jeddah, Saudi Arabia on international land and sea borders, expanding upon the Taif Treaty of 1934.⁷ The signing of this treaty reduced the danger of future confrontation along the border; however, there is still some resentment about that treaty from some of the bordering Yemeni tribes. Saudi Arabia also sided with the Yemen government in its war against the northern rebels, the Huthis, who are believed to be backed by Iran. In 2009, Saudi Arabia intervened in the Yemeni Northern conflict with the Huthi rebels. Some Huthi rebels crossed into Saudi territory killing two Saudi border guards and occupying the Dokhan Mountain, which led to a Saudi decisive military action against the Huthi rebels.⁸

The historical relationship between Saudi Arabia and Yemen is based primarily on their 1,458 km shared border, which has led to extensive social, religious, and business ties. Saudi Arabia remains involved in Yemen, to the extent necessary, to counter the potential threat of Yemen's unemployed masses, poor security, unrest, crime, and the intentions of foreign countries, like Iran, that might create a threat on Saudi Arabia's southern border. Saudi officials regard the security of Yemen as vital to Saudi Arabia's security. In November 2007, King Abdullah of Saudi Arabia said Yemen's security is inseparable from the Kingdom's security.⁹ Yemen receives

substantial development assistance from Saudi Arabia and seeks Saudi Arabia's help to open doors to organizations it wants to join such as the Gulf Cooperation Council (GCC). In the November 2006 London Conference, which Saudi Arabia was instrumental in organizing, Saudi Arabia pledged USD 1 billion to Yemen. In mid November 2007, Saudi Arabia donated USD 652 million to Yemen's development.¹⁰

Yemen's proximity to Saudi Arabia and their shared history means that many tribes in Yemen share common ancestry with Saudi tribes. Some of the tribes that share ancestries in both countries are al-Saya'r, al-Kurab, al-Manaheel, al-Maharah, Waelah, Bani Malik, Sehar, Wadeah, Fifa, Hammam, al-Masabeen, al-Hurrath, Qudah, and others. Members of these tribes have very strong ties to their tribes which can sometimes be stronger than their national ties. Al-Fahad, a Sa'ada native, said that most tribes in Sa'ada are part of the larger tribal confederation of Qudah, most of whom live in Saudi Arabia but who retain tribal loyalties.¹¹ Another interesting dynamic in the Saudi-Yemeni relationship is the large number of affluent Saudi nationals of Yemeni, more precisely Hadhrami, descent. Hadhrami Saudis include the billionaire Mohammed al-Amoudi (his wealth is estimated at USD 10 billion), the Bin Laden family (USD 9.8 billion), the Bin Mahfouz family (USD 4billion), and the Bugshan family (USD 7 billion). There is also Mohammed Issa al-Jaber, who is not Hadhrami but from Northern Yemeni ancestry, whose wealth is estimated at USD 12.5 billion.¹²

Situation in Yemen Leading to a Failed State

Yemen is one of the poorest Arab states. Unemployment, corruption, total illiteracy, overpopulation, poverty, and lawlessness draw quite a gloomy picture. Yemen has a rapidly growing population with limited resources, with one third of its budget coming from its declining oil revenue which most economists expect will be exhausted

by 2017. Yemen has a critical water shortage worsened by the excessive use of it to cultivate qat, which is chewed for stimulant and other effects but has no nutritional value. A recent World Bank report estimates that up to 25 percent of potential working hours are lost to qat chewing.¹³

There has been a rise in the recent past in the number and intensity of street protests, tribal clashes, kidnapping, terrorist attacks, insurrection in the North, growing tension in the South, and clashes between security forces and defected army units. Power in Yemen is concentrated in the hands of the few. President Ali Saleh has been in power since 1978, ruling by manipulative methods with which he creates conflicts between tribes to keep them engaged in fighting each other and, at the same time, putting his relatives in key and powerful positions in order to preserve his power and control of the government. President Saleh's primary concern is his own survival. He has awarded key army posts to relatives and allies within his own Sanhan tribe. His son Ahmad is the commander of the Republican Guard, while his nephews Tarik and Yahya control private presidential security and the central security forces. President Saleh rules by maintaining a precarious balance among several competing forces including the military, main tribes, religious clerics, and political parties. Saleh rules by buying loyalty through patronage and through a combination of cooperation, inclusion and coercion. Therefore he has built a feudal system of government which has become a kleptomaniac and plutocratic system. Corruption and mismanagement make the implementation of reforms and the absorption of any external assistance very difficult. The central government control over the hinterland is minimal. The hinterlands are usually under tribal control. Feelings of tribal identity are very strong in Yemen, where

intertribal strife and conflicts between the central authority and tribes have been common for centuries. The central authority in what is today corresponds to Yemen has never been strong. Disputes are often driven by competition for scarce resources, whether it is water, funds for infrastructure and basic services, or access to patronage networks.

After the North victory over the South in the 1994 civil war, the Northerners strengthened their grip over the South and dominated both the government and the economy. The Southerners, feeling alienated and resented in their own country, started what is called al-Hirak al-Janoubi demanding equal opportunities in the government and the economy. The government used force to suppress this movement and the relationship between the South and the government has been on a hazardous path since. The Southern Movement is now calling for secession from Yemen. Southern break from the North could lead to further breaks in the South. Different parts of Southern Yemen may seek independence from the South following any break with the North. This possibility is particularly serious with the Hadhramout province, whose people view themselves distinct from the rest of Yemen. In the North, the Huthi rebellion is fueled by bitter local grievances over economic marginalization, market access, and the lack of services and infrastructure in Sa'ada region. The Huthis are calling for freedom of worship and social justice. They accuse the government of corruption and meddling with the delicate religious balance between Zaidi Shias and Salafi Sunnis. This rebellion, started in 2004, hails from the area around the Northern Province of Sa'ada, which is close to the Saudi border. This conflict led to the Huthis seeking and getting financial and arms support from Iran and former Libyan government.¹⁴ The

conflict became regional in late 2009, when the Huthis crossed the Saudi border and occupied a mountain in southern Saudi Arabia in order to surround the Yemeni forces. Saudi Arabian forces intervened and attacked the Huthi rebel positions and also imposed a naval blockade on the northwestern coast of Yemen to prevent weapons from reaching the Huthis.

President Saleh's divide-and-rule strategy enabled him to govern by proxy through rival tribal sheikhs, but after 30 years in power, his reputation as a master of crisis management has begun to slip. In mid-January 2011, thousands of Yemenis protested in Sana'a demanding change of government. The protest spread through the country, in Sana'a, Tai'z, Dhamar, Aden, Hudaidah, Mukalla, and other major cities. It was more peaceful in the northern cities but more violent in the southern cities. The government reacted to these demonstrations in a violent way where many people lost their lives due to use of force by government security forces. The protesters, inspired by what happened in Tunisia and Egypt continued their protest and their numbers increased to hundreds of thousands. By March, some military troops joined the protesters. By the end of March the central government lost its control of Sa'ada and al-Jouf governorate to the Huthis. In the last week of March, the country's top general, Ali Mohsin al-Ahmar, commander of the First Division, sided with the protesters and positioned his troops to defend them from the government security and loyalist forces. By April protesters took the streets by the hundreds of thousands. April 5th, the USA called for Saleh to step down. In late April, Saleh agreed to a Gulf Cooperation Council brokered deal only to back away hours before the scheduled signing three times. On May 22nd, the GCC declared it was suspending its mediation efforts in Yemen. The next

day, May 23rd, the chief of Hashed tribe, the largest and most powerful tribe in Yemen, Sheikh Sadiq al-Ahmar, declared support for the protesters, and few days later his armed supporters came into conflict with loyalist and security forces. On June 3rd, an explosion in the presidential compound mosque caused at least five deaths and the injury of president Saleh and several others. Saleh was flown to Saudi Arabia for medical treatment where he spent about three months before returning and resuming his authority. On July 30th, a group of anti-government tribes declared the formation of the Alliance of Yemeni Tribes. The Alliance is headed by Sheikh Sadiq al-Ahmar, the leader of Hashid tribe, and is aligned with Yemen Army defectors under the leadership of General Ali Mohsin al-Ahmar.¹⁵

The current situation in Yemen is as follows: the two northern governorates bordering Saudi Arabia, Sa'ada and al-Jouf, are under the full control of the Huthi Movement which is backed by Iran and hostile to Saudi Arabia. The central government is in a small-scale armed conflict in the major cities with the oppositions and the defected troops and the tribes supporting them. There is a strong presence of AQAP in Abyan Governorate and possible spread to the eastern governorate of Hadhramout. There is an increase in Southern ambition for secession. There is a strengthening of the tribal power in the North after the formation of the Alliance of Yemen Tribes. If this situation continues, Yemen will change from an unstable state to a failed state which will have a great negative impact on Saudi Arabia and other Arabian Peninsula states and also on the region's security and economy. This requires action from Saudi Arabia and other influenced countries which will be impacted by the instability of Yemen.

There is a prospect of a failed state in this strategic Arabian Peninsula country with high level of unemployment, rapid population growth and dwindling water resources. After eleven months of street protests, Saleh has signed the GCC proposal. But this has not satisfied the street protesters who want Saleh and other key regime officials to be brought to court. What is worrying is that all the different groups in Yemen agree on their hate for President Saleh whether they are the tribes, political organizations, youth movements, or defected military units. They are all in agreement that Saleh must go, but they are unable to work together and will have difficulties in transitioning to a new Yemeni leadership. This opposition is not a cohesive one. Impoverished people dreaming of better life, students, intellectuals, Muslim priesthood, al-Qaeda affiliates, Huthi rebels, Southern secessionists, and separate tribes. All of them want Saleh to leave, but all of them pursue their own goals. The situation in Yemen is more complicated than some might think. There are tribal feudalism, military rivalry, conflicts between North and South, Huthi rebels, religious extremism and al-Qaeda affiliates and supporters. All of this puts Yemen on the fringe of failure.

Security Implications of Instability in Yemen

Yemen's location on the southern edge of the Arabian Peninsula means that it acts as a buffer zone between the Horn of Africa and Saudi Arabia. Further instability in Yemen could expand a lawless zone stretching from Kenya through Somalia, Bab al-Mandab Strait, the Arabian Sea, to Saudi Arabia. The British Royal United Services Institute warned in a recent report that the deteriorating situation in Yemen could lead to a chaos belt from Kenya to Saudi Arabia.¹⁶ Instability and failure of the Yemeni state would have security implications for Saudi Arabia. The instability of Yemen is a threat on the region and the international community. If Yemen were to sink into a state of

anarchy, the implications for Saudi Arabia, the Gulf region, and beyond would be profound. Stability and security of Yemen is an integral part of stability and security of the region, which means that the stability and security of Yemen is a necessity for Saudi Arabia, in particular, and for other regional countries. The stability, security, and prosperity of Yemen are the only assurance of the Arabian Peninsula stability.

Terrorist Groups Safe Haven. Instability in Yemen would provide a safe haven for terrorist groups such as al-Qaeda in the Arabian Peninsula (AQAP) and criminal groups. Die-hard Saudi extremist militants have regrouped in Yemen, which has been a safe haven for foreign jihadists, attracted to the country's remote regions which lie beyond the reach of the government. Yemen has also incubated its own breed of militants. In January 2009, those two groups merged together, after the Saudi branch had been effectively repressed by the Saudi authorities, establishing a new militant group called "al-Qaeda in the Arabian Peninsula" (AQAP).¹⁷ AQAP has demonstrated remarkable resiliency and adaptability in its history, surviving several leadership changes and major crackdowns in both Saudi Arabia and Yemen. In Yemen, AQAP has exploited the chaos and confusion around the revolution against President Ali Abdullah Saleh to expand its area of maneuver and safe havens. This would be damaging to Saudi Arabia and also to the international community due to Yemen's strategic location. Al-Qaeda has long been active in Yemen. One of its earliest major terrorist attacks was conducted in Aden in 2000, the USS Cole attack. Yemen is currently the place where al-Qaeda militants have been regrouping. The fragility of Yemen has made it an alternative destination to a considerable number of Saudi militants and fugitives. Yemen foreign minister Abu Bakr al-Qirbi claims Yemen is currently playing host to more than 1,000 Islamic militants and

al-Qaeda affiliates.¹⁸ The increasingly unstable Yemen now is believed to be a security threat to Saudi Arabia, both along the border and internally. Saudi Arabia has about 1,500 km border with Yemen, porous in many places that can be used by criminals, smugglers, and terrorists. Yemen is being ripped apart by insurgency in the North, secessionist movement in the South, a strong presence of AQAP, continued protests in the major cities, and clashes between armed forces. Terrorism would emerge from Yemen and cross into Saudi Arabia. In an interview on CNN, Prince Turki al-Faisal, the former head of the Saudi intelligence agency, said that extremists in Yemen have reportedly made deals with local tribal leaders for supplies and protection, creating a sanctuary there similar to the one in Pakistan.¹⁹ Al-Qaeda leader, Al-Zawahiri, called on Yemeni tribes to act like the tribes of Pakistan and Afghanistan and support al-Qaeda. AQAP has taken advantage of the uprising in Yemen against President Saleh regime and expanded significantly its area of operations especially in the southern provinces of Abyan, Hadhramout, Marib, Shabwa, and other remote provinces. In Abyan it has now control of the town of Ja'ar and some parts of the province capital, the coastal town of Zinjibar. As Yemen security crumples, militants find it easier to operate, train and recruit. The Saudis have been increasingly worried that extremism and instability in Yemen could spill over to Saudi Arabia. Yemen has become a haven for al-Qaeda militants hiding and training at the tip of the Arabian Peninsula. AQAP increasingly using its safe haven as a launching pad for terrorist operations is the most worrying potential implication of failed Yemen. Low and decreasing government authority provides a base for AQAP to organize itself, recruit, train operatives, and launch operations. Recruiting for al-Qaeda might be more effective in Yemen knowing that Yemen has been a major

contributor to the global jihadi network. Around 100 Yemenis still reside in Camp Delta at Guantanamo, constituting the largest national contingent and making up more than 40 percent of the remaining inmates.²⁰ The country, Yemen, is strategically located to Saudi Arabia, overlooks the Bab al-Mandab Strait, and is in a close proximity to the failed state and terrorist safe haven, Somalia. Yemen's tribal culture, plentiful access to weapons and criminal networks, and large recruiting pool of young men also make it an ideal base. This will entrench AQAP in Yemen and make future efforts to tackle it more difficult. The problem with ungoverned tribal areas is that tribes can offer shelter for AQAP and an operational base, while al-Qaeda can offer money and probably fighters. Attacking AQAP in tribal areas by Saudi forces may inflame local feelings against Saudi Arabia and drive tribes closer to AQAP. Saudi Arabia will may have to go physically into Yemen to counter terrorists which could create tension with various parties in Yemen who are very sensitive toward external intervention.

AQAP has been vociferous in its opposition to the Saudi regime, and is likely to continue targeting the Kingdom, particularly its oil installations and members of the royal family. In August 2009, an AQAP member attempted to assassinate Prince Mohammed bin Naif, the Saudi Assistant Interior Minister for security affairs. The prince's attacker was trained in and launched his attack from Yemen, confirming to the Saudis that instability in Yemen poses a security threat to Saudi Arabia. A strengthened AQAP in Yemen is certain to try to put pressure on Saudi Arabia and to strike Saudi targets. AQAP's military chief, Qasin al-Raymi, warned the Saudi Leadership in July 2011 that they are still regarded as apostates. And he specifically placed King Abdullah, the late Crown Prince Sultan, Interior Minister Prince Naif, and his son Mohammed Bin Naif on

the target list.²¹ In March 2010, Saudi Arabia foiled several planned attacks on oil installation with the arrest of more than 100 suspected al-Qaeda militants. The arrests included 47 Saudis, 51 Yemenis, a Somali, a Bangladeshi, and an Eritrean.²² The wider domestic strife in Yemen has provided AQAP with some breathing space. More worrisome for Saudi Arabia is the increased lawlessness within Yemen. Not only does this provide the space that al-Qaeda needs to regroup, train, recruit, but it also deflects the state resources away from counterterrorism operations. Saudi Arabia has for years been working to infiltrate al-Qaeda in its unstable neighbor to south, Yemen. Saudi Arabia has also been giving Yemen a great deal of assistance to counterterrorism and it is worrying to the Saudis to see all of that assistance diverted from the purposes for which it was intended. In June 2011, AQAP leaped into the security vacuum created by Yemen's political volatility, and 63 al-Qaeda in the Arabian Peninsula fighters escaped from a Yemeni prison.²³ This exemplifies how Yemeni instability emboldens this lethal al-Qaeda affiliate. As the Yemeni military consolidates its strength in an attempt to maintain state control and fight two insurgencies and oppress the protesters, AQAP has further expanded its safe haven in the country's interior, further increasing their operational capacity. This organization has not only attacked police, foreigners, and diplomatic missions within the country, but also served as a logistic base for acts of terrorism abroad. Yemen also has become the haven for jihad militants not just from Yemen and Saudi Arabia, but from all over the world which includes some Arabs, Americans, Europeans, Africans and others. Al-Qaeda camps, where terrorists from all over the world train are also situated in Yemen. The growing anarchy and al-Qaeda presence could spill over into Saudi Arabia.

AQAP – Al-Shabab Linkage. Another problem the instability of Yemen would produce is the possibility of a linkage between AQAP and the Somali terrorist group al-Shabab on the other side of the Gulf of Aden. There is a possibility of a nexus forming between those two terrorist groups who are both al-Qaeda affiliates. There is the potential for strong association on the basis of proximity. The Gulf of Aden is only 150 km wide at its narrowest point and Bab al-Mandab strait is less than 30 km wide at its narrowest point. AQAP's growing presence in the southern governorate of Abyan especially in its coastal capital of Zinjibar, gives it access to the waters of the Gulf of Aden which could eventually facilitate the contact between the two groups. The large presence of Somali refugees in Yemen also provides a tool for networking and potential recruiting. Al-Shabab terrorist group has threatened to send fighters across the Gulf of Aden to help al-Qaeda militants.²⁴ The threat from al-Qaeda and from its Somali affiliate, al-Shabab, is increasing. According to Bronwyn Bruton, a U.S. Somali expert at the Council on Foreign Relations, al-Shabab and al-Qaeda appear to be cooperating closely in their administration of the training camps in Southern Somalia.²⁵ AQAP has spoken of its ambitions to expand its cooperation with al-Shabab Somali terrorist group. Said al-Shehri, AQAP deputy commander, has spoken about the two groups someday being capable of blockading the Bab al-Mandab Strait to prevent oil traffic from moving through the strategic choke point at the end of the Red Sea.²⁶ Yemeni officials have claimed that members of al-Shabab terrorist group have been arrested in refugee camps in Yemen. It is feared that those camps could become recruiting grounds for radicals. Officials also claim that there are regular links, including arms transfer between al-Shabab and AQAP.²⁷

Proliferation of Small Arms. Another negative situation for Saudi Arabia which instability in Yemen could create is the proliferation of small arms. The easy availability of arms in Yemen is a further complication with most of illegal weapons and explosives smuggled into Saudi Arabia coming from Yemen. This will intensify in a failed Yemen, making small arms and explosives more available in the Arabian Peninsula for terrorist groups and criminal networks in addition to pirates. Yemen's long porous border with Saudi Arabia is a frequent source of anxiety to the Saudi government, and the Saudis fear an influx of militants, contraband or refugees from its southern neighbor. Yemen is awash with small arms. They are easily available in both open and clandestine markets throughout the country. The estimated number of civilian small arms in circulation in Yemen is 6-17 million weapons. There are also many heavier weapons such as rocket-propelled grenades.²⁸ Smuggling small arms and explosives from Yemen to Saudi Arabia has been a big problem for the Saudis even before the deteriorating situation in Yemen. Between October and December 2007, the Saudi border authorities captured 100 kg of explosives, 400 weapons, 50,000 pieces of ammunitions, and 100 sticks of dynamite.²⁹ Since the 1990s perpetrators of terrorist attacks in Saudi Arabia have used explosives which originated from Yemen. Smugglers provide the weapons used by radical Islamists who operate inside Saudi Arabia. Thus, these smugglers are the source of the explosives used in attacks against civilian targets, such as the 2003 Riyadh compound bombings which killed 35 and injured over a hundred. There is a strong lack of trust in the Yemeni ability to arrest infiltrators before they make it into Saudi territory. This infiltration will only increase if Yemen continues its slide on the path

of instability. The impact of smuggling on Saudi Arabia would not be limited to the smuggling of small arms.

Smuggling. Narcotic smugglings across the Saudi southern border have been a problem for the Saudi authorities for a long time. This will only intensify as the situation in Yemen deteriorates. There is a substantial smuggling across the Yemeni-Saudi border, which enriches Yemenis. The associated press reported on February 6, 2011 that, between October and December 2007, Saudi authorities arrested 880 alleged smugglers, many of whom were Yemenis, along this border. During this period and in addition to small arms and explosives, the border authorities captured 2,000 kg of hashish, four kg of marijuana, and 40,000 pills. The Yemeni News Agency reported on January 25, 2011 that Yemeni Police seized around 600 kg of hashish in Amran governorate in Northern Yemen close to the Saudi border.³⁰

Piracy. Another security problem the instability of Yemen would create for Saudi Arabia is the piracy in the Gulf of Aden and the Red Sea. According to the UN group tasked with monitoring the 1992 arms embargo on Somalia, five Yemeni ports have been used by Somali pirates as resupply stations. The report also said that some of the arms and fuel used by the Somali pirates had come from Yemen.³¹ In a failed Yemen, despondent fishermen, motivated by declining fish stocks and lack of authority, could imitate the Somalis and engage in piracy, increasing the threat in the Gulf of Aden.

Humanitarian Crisis

The instability in Yemen would also create social and humanitarian problems for Saudi Arabia. Yemen is the host of more than 200,000 Somali refugees. There are also an estimated 445,679 Yemeni civilians displaced throughout the country. Every night thousands of Somali and other East African refugees arrive on Yemen's lawless and

remote beaches. These numbers are on the rise. According to the United Nations Higher Commission for Refugees (UNHCR), 12545 refugees and migrants arrived in Yemen by boat in October 2011, the highest monthly total. This brings the total for the first ten months of this year to 84,656 persons. This number exceeds the previous high annual record of 77,000 in 2009. Of this year's arrivals about one third are from Somalia and the other two thirds are from Ethiopia.³² For many of these refugees Yemen is a transit point to richer nations and most of them continue their voyage to Saudi Arabia. Thousands of Yemenis and Africans have been crossing through into Saudi Arabia and this will continue to intensify. In addition to Somalis and Ethiopians, hundreds of Yemeni children have been trafficked into Saudi Arabia in the past decade. In 2007 alone, more than 60,000 Yemenis were deported from Saudi Arabia due to illegal immigration claims. About 400,000 illegal immigrants cross the Saudi-Yemeni border into Saudi Arabia every year.³³ This will only be increased as the situation in Yemen worsens. State failure in Yemen will have dire humanitarian consequences. The combination of insecurity and difficult geography will make the delivery of assistance to some regions impossible. On 15 December 2011, *Asharq Al-Awsat* newspaper reported that some poor Yemenis, especially in the northern province of al-Jouf, feed only on tea and bread and some families have only one meal every three days.³⁴ The result will include a significant refugee crisis with hundreds of thousands trying to cross the Saudi border. The failure of Yemen's state will have undesired consequences for both the Saudi government and population. There will be hundreds of thousands of hungry and afraid people crossing the Saudi southern border which will present many problems to the bordering areas and beyond. A collapse or a severe weakening of the Yemeni state

would likely send hundreds of thousands if not millions of refugees into Saudi Arabia, threatening stability in the country.

Conclusion

The instability of Yemen will have great implications for the Saudi Arabian economy. Saudi Arabia will need to spend huge amounts of money to reduce the effects of Yemen instability. There will be an increase of budget for border protection to reduce and prevent threats from radical militants and also narcotic and human trafficking. The Saudis had already doubled the size of their border guard along the Sa'ada border in March 2007. The situation in Yemen will force Saudi Arabia to increase its border protection capabilities, which means an increase in personnel and budget. It will have to acquire more mobile patrols, unmanned aerial vehicles (UAVs), and other surveillance and enforcement capabilities. The Saudis would expect to build refugee camps for the expected masses of refugees which would affect the Saudi economy. The major impact on the Saudi economy will come from the threat to its oil installations and oil shipments that the instability of Yemen would impose. Yemen overlooks a maritime choke point which is the Strait of Bab al-Mandab. Growing instability in Yemen could lead to the nightmare scenario; two failed states on both sides of important shipping lanes, and close to the world's most important oil-producing region. Instability in Yemen and the possibility that pirates could begin to use its long and sparsely populated coastlines, could make shipping in the region even more vulnerable. The Gulf of Aden sees huge tonnage in merchant shipping. Every day about 3.3 million barrels of oil passes through these waters (4% of global production). To the north are the Suez Canal and the refineries at the Saudi port of Yanbu. To the south are the Indian Ocean and shipping lanes to energy-hungry Asian markets. It is a transit path for oil from the Arabian Gulf

and goods from Southeastern Asia. The piracy threat in the Gulf of Aden, along with terrorist threats, could lead to further pressure on shipping companies to avoid the route through the Suez Canal and the Gulf of Aden, pushing them around the Cape of Good Hope. The instability of Yemen would lead to its waters becoming dangerous and therefore forcing Saudi Arabia to reroute some of its oil through pipelines from the Arabian Gulf region to the Red Sea, and ships would have to take a longer route around the tip of Africa adding about 10,000 km to the journey. This would lead to an increase in insurance premiums and transit time and cost. This would affect the Saudi economy as well as that of the world. AQAP regularly and openly threatens the oil infrastructure in Saudi Arabia. Any terrorist attack on oil installations in Saudi Arabia would most certainly result in a rise in oil prices in addition to decreasing the Saudi oil production which would result in reduction of oil revenues.

In conclusion, Yemen is becoming increasingly chaotic and unstable and the central government, always weak outside the urban areas, is becoming weaker still and is preoccupied with the struggle for power regardless of the late agreement of shared power with the opposition. Yemen suffers from numerous other challenges that divert attention from Saudi Arabia main concern, AQAP. Yemen is running out of both oil and water, it has a huge unemployment and underemployment crisis, a rabidly population growth with a median age of 18 years, and much of the population is addicted to qat, undermining work habits and productivity. Civil war in the north, separatist movement in the South, terrorist group safe haven, and continued street protests: whatever regime replaces President Ali Saleh, if he leaves, will be faced with these fundamental challenges, leaving AQAP with space and time to grow and export terrorism to Saudi

Arabia and others. Yemen is fundamentally a tribal society, so what will come after Saleh is very unpredictable, and it is hard to imagine that it is going to be good news for Saudi Arabia, at least in the short term.

If Yemen's problems are not attended to and it becomes a failed state, then it can bring the whole Gulf system crashing down. The spillover effect of the Yemeni instability will have negative impacts on Saudi Arabia and the Gulf Region. An unstable Yemen will lead to an unstable Arabian Gulf, which will have disastrous effects on the region's security and the oil supplies which will impact the global economy. Instability in Yemen will have great implications for Saudi Arabia in particular. Hundreds of thousands will cross the border into Saudi Arabia which will include AQAP affiliates, criminals, and refugees. Piracy will increase in the Gulf of Aden impacting the trade lines and the oil shipments which will have a great impact on Saudi Arabia's economy. AQAP and affiliates will have a safe haven from which to train, recruit and launch attack. The increase of refugees in Saudi Arabia will affect the demographics and economy of Saudi Arabia. So, as we can see, instability in Yemen will have great implications on the Saudi society, economy, and security and therefore Saudi Arabia needs to act in its own best interest to ensure that Yemen avoids becoming a failed state.

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