Small Arms Trafficking in Yemen: A Threat to Regional Security and Stability

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Executive Summary

Yemen’s role in shaping regional and global stability came to greater international attention beginning in February 2011. On the heels of the Arab Spring, Yemeni citizens protested against its president of thirty-three years, Ali Abdullah Saleh, and demanded he step down. Saleh announced he would transfer power to his vice president in November 2011. The success of the opposition has raised hopes for a government that is both more responsive to the needs of its people and a stable partner in international efforts to curb the illicit arms trade, terrorism, and piracy.

President Saleh’s rule resulted in a poor economy, weak central government, and a lack of rule of law. These factors have contributed to the illicit arms trade within and outside Yemen’s borders because citizens have few opportunities to earn a living any other way. Yemen’s new central government must solve the underlying causes of the arms trade by promoting economic development, enforcing the rule of law, and focusing on counter-terrorism strategies before it further damages the economy and security of the state.

1. Economic, Political, and Social Environment in Yemen

Citizens of Yemen—a country of just over 22.5 million people—hold an estimated six to nine million small arms and light weapons. Yemen’s geographic location on the Red Sea and Gulf of Aden, as well as a history of civil wars, resulted in the proliferation of small arms and light weapons trafficking. In the 19th and 20th centuries, the Ottomans and British colonized Yemen and brought weapons to the country in large quantities to exert control over the Yemenis. The influx of weapons exacerbated conflict between tribal and political opposition
groups in the northern and southern regions of Yemen. This conflict eventually led to the south seceding from the country in 1967, a change that was not officially recognized by the international community. Yemen was formally re-unified in 1990 but the roots of the tribal conflict were not addressed and the country fell into civil war again.

Following the end of Yemen’s second civil war in 1994, the central government failed to collect weapon stockpiles left behind by the conflict and these weapons were acquired by tribes and ethnic groups throughout the country. The government has had little success in curtailing the arms trade and the sales of small arms remains pervasive throughout the country. Widespread poverty, conflicts in the northern and southern regions of the country, declining oil reserves, piracy in the Gulf of Aden, and the growing presence of Al-Qaeda in Yemen fuel this illicit activity.

Although Yemen has been unified for twenty years, the relationship between the north and south remains hostile and political opposition groups in both regions present major security challenges. A southern secessionist movement emerged in 1994 to oppose the unification; while in the north, the al-Houthi tribal group led several insurgencies against the government because of its failure to address social and economic grievances. Military forces continue to fight these two groups, but the government spends the majority of its security funding on controlling the al-Houthi tribe.4

Economically, Yemen is one of the poorest countries in the world. Nearly 42 percent of the population lives on less than $2 per day.5 The average Yemeni’s income is about a third of the Middle Eastern and North African average at $1,070 per capita.6 Yemen is highly dependent on oil for revenue. This sector represents thirty percent of the country's GDP, seventy-five percent of the national budget, and ninety percent of export earnings.7 The country has not
diversified its economy and its reliance on the export of oil risks its economic and political stability. Yemen’s natural resource base, water in particular, is deteriorating, and human development is low. Yemen also faces a three percent population growth rate, one of the highest rates in the world. Moreover, the country's population is expected to double in twenty-three years to reach around 40 million. In 2010, the unemployment rate in Yemen reached thirty-five percent among the youth population and nearly eighty percent of youths lack the connections necessary to obtain a job. These economic and political challenges continue to fuel the illicit arms trade and inhibit the Yemeni government's ability to solve the arms trade problem.

2. Historical Underpinnings of Yemen’s Illicit Arms Trade

The arms trade in Yemen continues to flourish because of the country's history of colonization and the ongoing conflict between the northern and southern regions of Yemen. Small arms and light weapons were brought to Yemen in large quantities when the Ottoman Turks colonized Yemen in the 16th century and the British colonized in the 19th century. Following decolonization in 1962, North Yemen formed the Yemen Arab Republic. The south declared its independence from the Yemen Arab Republic in 1967 after the British decolonized. The weapons left behind by the British enabled rival tribal groups to escalate the violence in the conflict between the north and south and influenced the development of the illicit arms trade.

The former Soviet Union also played a role in the growth of weapons stockpiles in Yemen. The Soviet Union established its presence in the Middle East in 1955 following the completion of its first arms trade with Egypt. When the Suez Canal was nationalized in 1956, the Soviet Union established a military base in Aden because this port area was essential to control of the canal. In 1967 when the British decolonized and southern Yemen declared its
independence, the Soviets provided military and technical aid to southern tribes, ultimately becoming their weapons supplier.\textsuperscript{12} While the south had the support of the Soviet Union, northern Yemen’s Arab Republic was officially recognized by Saudi Arabia in 1970. The division of Yemen, and support provided by other countries, exacerbated the conflict between the north and south. This fighting continued until the end of the Cold War when southern Yemen lost its economic and military aid from the Soviet Union.\textsuperscript{13} With the end of the support from these outside actors, the north and south officially unified in 1990 despite ongoing tension.

Following unification, two political parties were formed that dominate the political system to this day – the General Popular Congress from northern Yemen, and the Yemeni Socialist Party from southern Yemen.\textsuperscript{14} The history of conflicting political interests between the two regions made it difficult to establish common goals such as curtailment of the arms trade. The political situation continued to deteriorate as citizens and politicians in the south claimed that, despite unification, the government ignored the confiscation of southern land and resources by northern elites.\textsuperscript{15} Some national politicians sought to provide the south with effective political representation and lucrative contracts but the north’s influence over the central government stifled the efforts. As the political situation worsened, the central government was unable to control fighting between the north and south. The north’s political representatives attempted to negotiate with the south but were unsuccessful. Clashes intensified and Yemen’s second civil war began in May 1994.

On May 21, 1994, Southern leaders seceded and created the Democratic Republic of Yemen which was not recognized by the international community. Although it was not formally recognized, the south received financial assistance and equipment from neighboring states. Despite the assistance, tribes in the north, working with the central government, managed
to capture the port of Aden, the center of power in the south, on July 7, 1994, sending thousands of southern leaders and the southern military into exile.\textsuperscript{16} The central government’s success in defeating the south and forcing unification of the country can be contributed to the support provided by tribes in the north and the weapon stockpiles they captured from the southern army. At the end of the war, the majority of the small arms used in the conflict were not collected by the central government. The arms that were captured by the north were distributed to villages in northern Yemen.\textsuperscript{17} The end of the civil war marked the beginning of the illicit arms trade in Yemen.

3. **Current Drivers of Yemen’s Illicit Arms Trade**

The arms trade in Yemen continues to grow because the weapons left behind following decolonization and the state’s two civil wars created a culture of gun ownership. Additionally, military officials often augment their low pay by selling military weapons in the illicit market.

A large majority of households in Yemen has at least one gun, and arms possession is most common in the north and northwest of the country.\textsuperscript{18} Guns are used for defense and attack, as well as for cultural celebrations and social occasions such as weddings. Guns are symbols of status, power, manhood, responsibility, and wealth. Accordingly, "just as some people wear ties, some Yemenis will carry guns. It is a part of one's dress," explained Ali Hussein during a celebration with fellow community members as he brandished an assortment of AK-47 assault rifles, hunting rifles and pistols.\textsuperscript{19}

According to the results from a 2009 survey carried out by Abdussalam al-Hakimi, Assistant Professor of Sociology at Taiz University, there are 9.9 million small arms in Yemen, including 1.5 million in the hands of government security and military forces, and 30 thousand in
arms shops.\textsuperscript{20} Although gun ownership is prevalent throughout the country, of those participating in the survey, only 60 percent claim to have weapons in their homes.\textsuperscript{21}  

The large number of armed escorts for social dignitaries, government officials, and community leaders, contributes to the proliferation of weapons in the country. About 75 thousand people work as armed escorts. Further, current legislation exempts the president, his deputies, current and past ministers, members of parliament, officials appointed by decree, police and military officers, judges, prosecutors, and diplomats working in the country from needing a license to carry a firearm.\textsuperscript{22} This legislation has created tension with citizens who believe that if they are required to have a license for firearms then government officials should not be exempt. This perceived government hypocrisy contributes to reluctance among the population to comply with gun licensing regulations.

Corruption within the military is rampant and exacerbates the arms trade. The Yemeni military’s highly fragmented structure and limited oversight allows arms trafficking to flourish within its ranks. High-ranking military officials, who typically earn less than $100 per month, are able to augment their salaries significantly if they illegally sell weapons from the military’s supply.\textsuperscript{23} A military officer’s salary is $45 per month, but when bribes are factored in, his salary can jump to $320-$370.\textsuperscript{24} They do not fear repercussions because the military’s recordkeeping is inadequate and the officers are unlikely to face weapons inventory inquiries.

\textbf{3.1 Government Enforcement of Arms Trade Restrictions}

Curtailment of Yemen’s illicit arms trade remains poor due to both the weakness of the government and the structure of the Yemeni arms market. The large number of small-scale arms vendors in Yemen creates particular enforcement challenges because it requires a great deal of resources and personnel to monitor and track the multitude of small-scale arms dealers. A
primary obstacle for the central government is dealing with the influential tribal and ethnic
groups heavily involved in the arms trade. These groups make it politically difficult for the
central government to close arms markets that violate its weapons regulations. In addition, a
weak judiciary system has limited the government’s effectiveness in enforcing arms laws and
regulations. Although arms traders are required by the Interior Ministry to have a license to sell
arms and to provide a list of their buyers and purchases, the provisions are not enforced. The lack
of an effective judicial system results in illicit arms dealers pursuing their trade with impunity.25

Small arms and light weapon fairs selling a plethora of weapons and ammunition are
common in Yemen. In addition to the fairs, Yemen has an estimated three hundred small gun
shops, with an average inventory of one hundred weapons each.26 The most important markets
are Souq al-Talh and Suq Juhainah in Sana’a province. There are three other regional markets
located in Al-Jowf, Al-Baydah, and Abyan.27 Following the end of the 1994 civil war, tribal
conflicts in the north and the south’s succession created a demand for weapons of all varieties,
leading to a flourishing trade in arms. The arms market's major customers also included
tribesmen hoping to adorn themselves with rifles or pistols, as is customary in Yemeni tribal
tradition.28 The volume of weapons traded fell in 1999, primarily as a result of decreasing
intertribal violence. According to the Yemen Times, the price of weapons increased by three
hundred percent in 2009 in response to the increase in demand for weapons fueled by various
insurgencies in the north and south.29

The government achieved some success in 2004 by closing the weapons market at Souq
al-Talh, the largest arms market in the country, which served local tribes and also acted as a
distribution center.30 Distributors in this market smuggled weapons to places like Jihana, a major
market about 250 kilometers southeast of the capital.31
Criticism of the government’s policy of closing open markets centers on the idea that it encourages the development of hidden and covert markets. As Sana’a University professor Abdullah al-Faqih points out, closure of the arms markets drives this activity underground and, if clients can acquire weapons in the underground market from the same dealer they have purchased from previously, then open arms markets may no longer be viable. For many dealers, increased government enforcement threatens their livelihood and means they must find another way to make a living. With limited options, dealers open their shops without displaying weapons and then take buyers to their homes and sell arms and ammunition in secret deals. Even the closure of the Souq al-Talh market has been criticized for merely making the arms trade more covert. In March 2005, al-Houthi followers were killed as they attempted to acquire weapons in Souq al-Talh despite the closure of the arms market. While the central government insists that the market is closed, it is possible that its closure only drove the arms trade underground. The market now serves as a covert rendezvous point for buyers and sellers. As a result, closing large weapons markets has not significantly reduced the volume of illicit weapons traded.

4. Arms Trafficking: Somali Pirates, Somali Rebel Groups, and Saudi Arabia

Increasingly, tribal leaders in the north and south are profiting from the illegal sale of arms from army stockpiles. Tribal groups in the north have maintained a strong hold over the northern half of Yemen and the weak security situation in the country has enhanced their ability to control the Saudi Arabian border and the Red Sea coast.
4.1 Somali Pirates

According to the U.N. Monitoring Group, there is a growing link between piracy and the illicit arms trade. In recent years, Somali pirates’ presence in the Gulf of Aden has grown, and with it, their influence on the illicit arms trade between Yemen and Somalia. The NATO Shipping Centre found that a growing number of piracy operations occur between the Gulf of Aden and Mogadishu and over sixty vessels have been attacked between the two areas in 2008 alone.

The pirating network in this area is supported by regional and local government officials in Somalia because they benefit financially and politically from the pirates’ activities. An estimated 20,000 vessels pass through the Red Sea and Gulf of Aden each year. In 2009, the number of attempted vessel hijackings jumped to 406, compared to 293 in 2008. Similarly, an estimated 116 pirate attacks occurred in the Arabian Sea, off the coast of Oman, the Indian Ocean, the Gulf of Aden, and the southern parts of the Red Sea and the Mandab Strait. The map below shows the extent of piracy attacks from 2005 to 2010.
Increased pirate activities create additional economic problems for Yemen by disrupting its maritime transport, offshore oil exploration and fisheries. Although the Somali pirates have expanded their presence throughout the region, it is clear that they are using Yemen as a logistical base for their operations. Despite the negative effect of pirate activities on Yemen’s economy, arms traders in Yemen have become increasingly involved in smuggling arms to Somalia.
A subgroup of the pirate network allegedly uses boats from piracy operations to move refugees and economic migrants from Somalia to Yemen, bringing arms and ammunition back on the return journey.\textsuperscript{43} A report written by the UN Monitoring Group, focused on the arms embargo in Somalia, found that members of the Harardhere pirate group are working with Yemen arms traders to transport illegal arms to the Somali towns of Harardhere and Hobyo.\textsuperscript{44} These are the main points of entry for arms shipments destined for Somali and Ethiopian opposition groups.\textsuperscript{45}

As the security situation in Yemen worsens due to the rebellion in the north, the separatist movement in the south, and the growing presence of Al-Qaeda in the north, Somali pirates are taking advantage of the weakened government and increasing their presence in the Gulf of Aden.

\textbf{4.2 Somalia}

When Somalia’s civil war broke out in 1991, state institutions fell apart and the country experienced over a decade of armed violence between rebel forces and tribal groups. The Transitional Federal Government was formed in 2004 but armed clashes between clans, militias, and other armed groups continued the violence throughout the country. A contributing factor to the violence is the trade of small arms and light weapons to such violent groups.

In 1992, the U.N. passed an embargo against the trade of small arms to Somalia, which the government repeatedly violated. In 2003, the U.N. convened a panel of experts to investigate violations of this embargo. What they found was a strong distribution network of weapons and ammunition that supplied the different warring groups.\textsuperscript{46} The panel determined that these weapons originated from neighboring countries in the Horn of Africa and the Middle East but, “Yemen remains the most important source of commercial arms transfers to Somalia.”\textsuperscript{47} Weapons from Yemen are sold for Somali retail in addition to arming opposition groups and
criminal groups.\textsuperscript{48} Sources in Somalia confirmed that the weapons sold to Somali individuals, opposition and criminal groups came from Yemen, however, the Yemeni government denies that arms trafficking continues with Somalia.

To combat the arms trade, the Yemeni Coast Guard has become more active in the waters between the Gulf of Aden and Al Mukalla (located on the Yemen coast). While this has had some impact on the arms trade from ports in these areas, the Coast Guard is unable to monitor the entire area, particularly east of Al Mukalla, the northern coast of Puntland, and Somaliland.\textsuperscript{49} This means that the arms trade continues from these unpatrolled areas. Authorities in these areas have also confirmed that Yemen remains their largest single source of arms.\textsuperscript{50}

The Yemeni government has failed to adequately address the trafficking problem with Somalia, and the longer it continues, the more difficult it becomes for the government to enforce laws regulating arms trade. Now that Al-Qaeda has set up a new base in Yemen, "Al-Shabab [Islamic militant organization in Somalia] has declared its intention to support and supply weapons to Al-Qaeda."\textsuperscript{51} While Yemen plays a major role in supplying arms to Somalia and exacerbates the conflict in that country, Somalia will likewise play an increasing role in the deteriorating security situation in Yemen. Although the Yemeni government is making efforts to expel Al-Qaeda from the country, if they do not address the arms trade with Somalia, the likelihood that their efforts will be successful are slim.

4.3 Saudi Arabia

As a neighbor, Saudi Arabia has historically supported northern Yemeni tribes and exerted influence over the central Yemeni government. Northern Yemen has become dependent upon Saudi Arabia’s foreign aid because of the Yemeni government’s poor management of the economy. Currently, as protests spread throughout Yemen, the central government has
demonstrated that it is unable to control the violence outside of the capital, Sana’a. Saudi Arabia also has a vested interest in promoting stability because Yemeni rebel groups and Al-Qaeda militants who set up encampments along this border also threaten the security of Saudi Arabia.\textsuperscript{52}

The geography of the Saudi-Yemeni border makes it easy for traffickers to transport weapons across the border. North Yemen’s mountain landscape and weak infrastructure in the borderlands makes it difficult for security forces to monitor the area and these features enable smugglers and militants to cross the border unnoticed. The border is densely populated on both sides, making it attractive to people trying to cross the border to sell weapons. The lack of Yemeni government authority near the border areas and countryside where the tribal groups reside facilitates weapon smuggling networks and undermines Saudi security measures.\textsuperscript{53}

The al-Houthi rebellion in the north and the presence of Al-Qaeda in Yemen’s northern mountains has contributed to Saudi Arabia’s growing concern that these conflicts could spill into their territory. Saudis believe the militants could smuggle forces, arms, and drugs across the border into Saudi Arabia if the Yemeni government does not assume a more assertive role and propose solutions to the problem. The Yemeni government has not shown adequate authority on this issue and the Saudis are now directly involved in fighting the Yemeni rebels along the northern border between these two countries. As in the case of Somalia, the instability in Yemen has a direct impact on Saudi Arabia.\textsuperscript{54}

Citizens in Saudi Arabia have a higher standard of living than their neighbors in Yemen. The poor economic situation and complex socio-political landscape in Yemen make activities such as arms smuggling appealing to Yemenis as a way to make a living. The governments of these two nations face structural economic obstacles in their attempts to prevent weapons smuggling and the illegal movement of people across the borders. The Saudi government
believes that most of the weapons and explosives used in terrorist operations in Saudi Arabia are smuggled in from Yemen. For example, in 1995, terrorists attacked US military facilities in Saudi Arabia using weapons acquired from Yemen. Another group attacked the U.S. consulate in Jeddah in December 2004 using two AK-47s smuggled from Yemen to Saudi Arabia.

Saudi Arabia took several important steps to foster economic development in Yemen in 2010. An international summit was held in Riyadh to develop a framework detailing how to provide financial and technical support for Yemen’s struggle with Al-Qaeda, governmental corruption, poverty, and piracy. This summit created a plan to disburse additional aid to Yemen and monitor economic progress towards reforms. Saudi Arabia and the World Bank have agreed to help Yemen by making contributions and commitments to the country's economic development. The Saudi Fund for Development financed several projects totaling $642 million, Saudi Arabia agreed to fund six additional projects for $1 billion, and the World Bank committed to $480 million to finance projects as part of its 2010-2013 strategy for the country.

5. Policy Recommendations

Arms trafficking is entrenched in Yemeni government and society, making it difficult to eradicate. The lack of economic development and a weak central government facilitated the creation of an illicit weapons trade stretching from the Gulf of Aden through the Horn of Africa.

The Yemeni government must take action to stabilize the state as a means to curb the arms trade. To accomplish this, the international community should work with tribal and opposition groups in the north and south to install a new government committed to reducing the arms trade. The new government should focus on three areas: application of the rule of law; economic development; and counter-terrorism and border security. A new central government is
critical to controlling the arms trade. President Saleh first gained power with support from northern Yemen and has ruled the country since unification in 1994. His connection to northern insurgent groups and al-Houthi leaders enabled the north to have undue influence on government policies and enforcement measures. Beginning in February 2011, protests against the central government occurred in major cities. President Saleh agreed to step down in November 2011 and elections will be held in February 2012. These elections will provide Yemen the opportunity to address the governance problems that plague the country. Citizens in both the north and south should elect officials who represent the interests of the country, particularly the south which has been underrepresented in the central government. The election of a new government should result in the removal of influential tribal and opposition groups in the north, as well as outside actors who facilitate the arms trade. The new central government should emphasize alleviating the hostilities between the north and south and work with newly elected representatives from both regions to address the issues that impact citizens throughout the country, such as education, high unemployment, and poverty. The new government must also focus on improving relationships with its neighbors, specifically Saudi Arabia because of its history of influence over the north. These actions will enable Yemen to establish the stable government the country needs to solve its challenges and address the underlying causes of the arms trade.

The new government must also focus on the application of rule of law. President Saleh’s connections to tribal groups in the north contributed to the lack of rule of law in the state. It is not enough to merely create laws; they must be adequately enforced and continuously monitored. Yemen’s government must reform its judicial system and military to ensure it is capable of enforcing laws against the arms trade. For example, the government’s initial success in closing the weapons markets was followed by a failure to confiscate weapons and ensure these markets
remained closed. The arms trade merely moved underground. Similar to replacing President Saleh’s government that is aligned with the interests of the north, the military and judicial system must be freed from corrupt officials. The new central government must work with the police and military to combat the arms trade and closely monitor these officials to ensure they are not falling back to the corrupt practices of President Saleh’s rule.

Economic development is also a critical area for the new central government to address. Yemen’s economic situation continues to deteriorate and the state is unable to spur growth without outside assistance. The Gulf Cooperation Council (GCC), a political and economic union whose members include Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates, has the potential to help alleviate some of Yemen’s problems. Although Yemen was recently admitted to several GCC bodies, including the Federation of GCC Chambers of Commerce, neighboring countries have not opened their markets to Yemeni workers. Members distrust Yemen because of its endorsement of the 1990 invasion of Kuwait and the belief that Yemeni Islamic extremism would follow Yemini laborers.\textsuperscript{58} If Yemenis could work in neighboring countries, this would improve its relationships with the Gulf States, potentially providing more aid and investment to Yemen – and ultimately improving its economic situation.\textsuperscript{59}

However, these issues continue to prevent Yemen from accessing the markets of its neighbors. Yemen’s new central government could benefit by renouncing its support of the 1990 invasion, and demonstrate that it is making an effort to enhance border security and curb extremist groups within its borders.

Key to improving Yemen’s economy is the rebuilding of governmental institutions and infrastructure that support alternative, and legal, industries and markets. Yemen’s weak
government and infrastructure has contributed to the 35 percent unemployment rate and the lack of educational opportunities – two factors driving Yemenis to participate in the arms trade. Yemen’s arms trade is a profitable way to make a living and, if an individual participates in this trade, they have found a means to earn money. The new government must focus on developing strong educational, technical and financial systems because when citizens are educated and have access to a strong job market, they will be less likely to view the arms trade as a viable option to make a living.

Finally, the new central government must focus on counter-terrorism and border security. Tribal and insurgent groups have taken advantage of a relatively weak central government not only to influence government policies but to solidify their power in their local governments. These groups have participated in and exacerbated the arms trade without accountability because the government inadequately enforced its arms regulations. Al Qaeda of the Arabian Peninsula (AQAP) has also used the state’s weak security enforcement to its advantage by establishing a presence in the mountains of northern Yemen. Yemen’s border issues with Saudi Arabia continue to present a challenge to eradicating the arms trade. While the central government has worked with the Saudi government to address the smuggling of arms from Yemen over the Saudi border, the presence of AQAP poses a new threat to both states. The new government will need to refocus its efforts and work more closely with Saudi Arabia to solve this new security threat to their borders and gain control over the arms trade.

The arms trade in Yemen is not a problem the central government can solve quickly. It has a number of challenges to address but if the government establishes policies to rebuild its infrastructure and economy, enforce the rule of law, and addresses the outside security threats, then that will provide the opportunity to address the underlying causes of the illicit arms trade.
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