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**YEMEN AND STABILITY  
IN THE PERSIAN GULF:  
Confronting the Threat from Within**

Stephen C. Pelletiere

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**YEMEN AND STABILITY  
IN THE PERSIAN GULF:  
CONFRONTING THE THREAT  
FROM WITHIN**

**Stephen C. Pelletiere**

**May 22, 1996**

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## FOREWORD

Yemen is one of the oldest societies in the Middle East. It sits athwart one of the world's most strategic waterways, and hence, throughout the Cold War, the United States and Soviet Union contended for influence over it. With the end of the Cold War, Yemen's fortunes sank. Soviet support vanished, and the United States saw little need to cultivate Sana'a, particularly in light of Yemen's actions preceding the Gulf War.

This study argues that Yemen should not be abandoned. It is part of the vital Persian Gulf system, which the United States has pledged to uphold. That whole system could be destabilized by conflicts that currently simmer on Yemen's borders. The study suggests ways in which Yemen could be assisted economically, and also how tensions between it and its most important neighbor, Saudi Arabia, could be attenuated.

Finally, the study focuses attention on a problem of growing importance for U.S. policymakers—that of the so-called failed state. It rarely happens, the author declares, that states can be allowed to fail without undermining regional stability. And sometimes—as looms in the case with Yemen—the damage could be considerable.



RICHARD H. WITHERSPOON  
Colonel, U.S. Army  
Director, Strategic Studies Institute

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## **BIOGRAPHICAL SKETCH OF THE AUTHOR**

STEPHEN C. PELLETIERE received his Ph.D. in International Politics from the University of California, Berkeley. In the early 1960s he served in the Middle East as a foreign correspondent during which time he was based in Beirut. Dr. Pelletiere returned to the Lebanese capital in 1970, for a stay at Shemlan, the Arabic language school of the British government. In 1975, when the Lebanese civil war erupted, Dr. Pelletiere was in Cairo, Egypt, conducting research on a Fulbright Fellowship. He interviewed refugees fleeing Lebanon to Egypt, including many United Nations professionals. Dr. Pelletiere has taught at the University of California, Berkeley; at Ripon College, in Wisconsin; and at Union College, Schenectady, NY. From 1982 until 1987 he was an intelligence officer in Washington monitoring the Iran-Iraq War. He came to the Strategic Studies Institute in 1988, and became a full professor in 1992. He has written two books on the Middle East: *The Kurds—An Unstable Element in the Gulf*, and *The Iran War—Chaos in a Vacuum*.

## **SUMMARY**

This study looks at Yemen, a small state which over the course of centuries has played a minor—but nonetheless important—part in the history of the Middle East. Yemen's importance derived from its strategic location. At various times great powers wishing to control the Red Sea/Indian Ocean area tried to take over Yemen. (See Figure 1 on page 2.)

Now that the Soviet Union is no more and the United States alone is a superpower, Yemen's strategic value seemingly is at an end; U.S. policymakers apparently believe that, with Moscow out of the picture, the importance of Yemen has declined.

At the same time, however, tensions between Yemen and its neighbors have recently disturbed relations in the crucial Persian Gulf region. This study argues that, unless these tensions are resolved, the whole Persian Gulf system could be destabilized, and thus U.S. policymakers must rethink relations with Sana'a. The study tracks how the current disputes over Yemen developed, and then describes how they are likely to affect Gulf stability, which America has pledged to uphold.

# **YEMEN AND STABILITY IN THE PERSIAN GULF: CONFRONTING THE THREAT FROM WITHIN**

## **Introduction.**

Under the New World Order, American interest in the Middle East has undergone fundamental change. Whereas in the past the area was of great strategic importance to Washington, now the strategic aspect is no longer of such concern. With the Soviet Union gone, the United States does not need to buttress its military might in obscure corners of southwest Asia. Economics is what counts today, and only those countries that are strong trading partners of the United States remain of interest.

In the Middle East only a handful of countries are commercially important to the United States;<sup>1</sup> these are the so-called Gulf Cooperation Council (GCC) states.<sup>2</sup> The United States has undertaken extraordinary measures to show its support of these small, but extremely influential, entities.

At the same time, other countries in the region, once the recipients of Washington's special regard, now are out of favor. One such state—which once was a key ally of the West—is Yemen. Situated on the Bab al Mandab (see Figure 1), Yemen formerly was the object of an intense struggle between the Soviet Union and the United States. Both tried to lure the Yemenis into an alliance, plying them with offers of military and economic assistance. This enabled Sana'a to maintain itself despite the fact that Yemen is among the poorest countries in the world.<sup>3</sup>

As soon as the Cold War ended, the United States found that it could dispense with having to worry lest Yemen fall into Soviet hands. In 1991, Washington cut Agency for International Development (AID) funds to Sana'a from \$50 million to just under \$3 million.<sup>4</sup>

This was a blow to the Yemenis. Suddenly Sana'a was forced to depend on its own meager resources. To be sure, Yemen has oil, but this has only recently been discovered, and the Yemenis have scant infrastructure with which to develop their finds (a matter to be discussed below).

Not long after the cut was made, several disturbing events occurred—first, a major civil war blew up in Yemen, which the government barely was able to quell; next, Saudi Arabia tried to take over territory claimed by its neighbor; and, finally, Eritrea, at the end of last year, seized an island (Hanish al Kabir) garrisoned with Yemeni troops (see Figure 1).

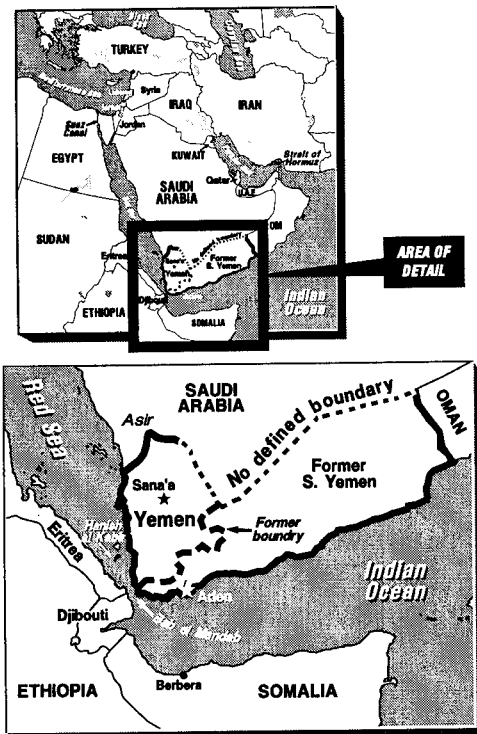


Figure 1. The Horn of Africa.

Given the seriousness of these incidents, Washington's apparent continued indifference toward Yemen was hard to fathom.<sup>5</sup> But then, just as this study was being readied for the printer, Washington did take action. It moved indirectly (through the International Monetary Fund [IMF]), but the effect was to bolster the regime in Sana'a, and this could only be welcomed.

Nonetheless, the study goes on to argue that Washington's moves may not be enough. More needs to be done, if this problem is not to fester, and ultimately grow into something large and dangerous.

U.S. policymakers seem to believe that threats to Gulf security come only from without, specifically from Iraq and Iran. In fact, significant dangers are developing from within the Gulf, and one of the most dangerous involves local discontents over Yemen.

Stability in the region requires adequate responses to the Saudi-Yemeni, Eritrean-Yemeni discords, and a changed approach to dealing with area security problems in general.

In the New World Order, policymakers must think systemically. If the United States is to maintain stability in the Gulf, it must be concerned with *all* of the states in the area; Washington cannot restrict its concern to the narrow focus of just a few. A seemingly inconsequential entity like Yemen can bring the whole Gulf system crashing down if its problems are not attended to.

The study opens with a look at the early history of Yemen, which forms the basis of the Yemenis' fierce national pride, and also what makes them so dangerous to offend. It then proceeds to detail the long rivalry between Yemen and Saudi Arabia, in which the Yemenis consistently have given as good as they got.

Next, the study deals with the period of unification, when north and south Yemen—formerly two separate countries—allied themselves. For a time after that, the future of Yemen seemed full of promise, but then, with the outbreak of the Second Gulf War,<sup>6</sup> the bright hopes perished. Yemen sided with Iraq in that struggle, a step which cost it dearly, as the study will show.

The study ends with a call for a critique of U.S. policy which I maintain is leading towards a dangerous situation, one that could quite easily get out of hand. Thus, there is a need for a review by U.S. policymakers of the policy of the United States, not only towards Yemen, but for the entire Gulf.

### **Yemen and the Glory Days.**

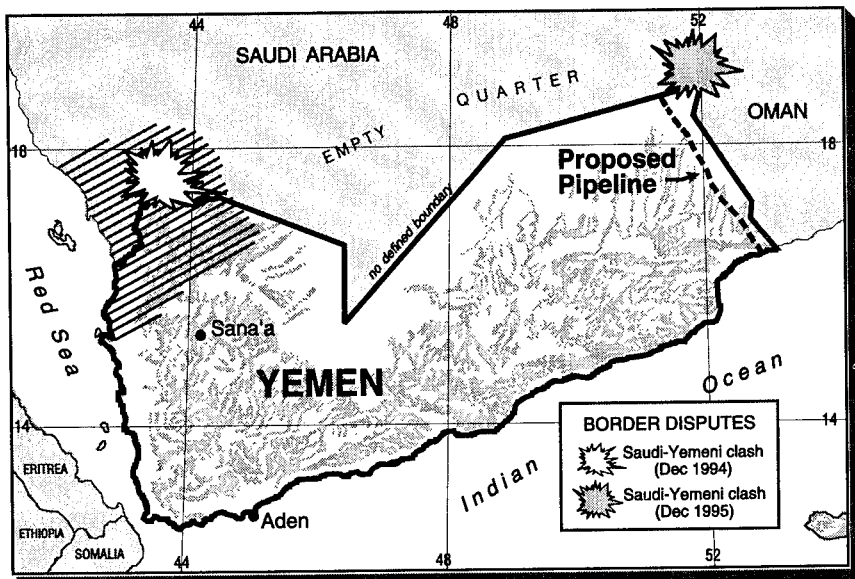
Yemen has an impressive past, going back to pre-Biblical times. It was here, almost before recorded history, that a kingdom arose that served as an entrepot between Southeast Asia and the Middle East, and also between the Middle East and Africa. Yemen was the starting point for one of the Middle East's oldest caravan routes. Merchants from here travelled north, carrying spices to Saudi Arabia and beyond to Damascus and Baghdad.<sup>7</sup>

The Yemenis originally were traders. They were also great masons. They built the Great Dam at Marib, one of the wonders of the ancient world. All of this splendor is gone now. Practically no evidence remains of the civilization that flourished in what is today modern Yemen.<sup>8</sup>

Yemen reenters history with the appearance of the Prophet Muhammad in the 7th century. The north of Yemen became the home of a peculiar sect of Muslims, the Zaydis. These were Shias, which links them to the Iranians, who constitute the bulk of Shias under Islam. However, the relationship of the two groups is tenuous, since the Zaydis never subscribed to the extreme practices for which the Iranian Shias are known. In that respect, they are closer to the conservative Sunnis.<sup>9</sup>

Yemen was a frontier land of the Ottoman Empire. It was so far off the track, it almost was not a part of the civilized world. The Ottoman Turks were only able to conquer portions of Yemen, mainly the Red Sea littoral. They never penetrated far inland.

Yemen is extremely rugged territory. A chain of mountains stretches along the Red Sea to the Indian Ocean (see Figure 2), and then runs east to Oman and the Gulf. In places, the chain rises to heights of several thousand meters. In former times, the mountains were forested. Today, they are virtually bare. Successive generations of Yemenis have denuded them for wood.



**Figure 2. Areas of Friction.**

Despite the harshness of the landscape, the Yemenis manage to farm. They do so assiduously and with great skill, building terraces high on the mountainsides, on which they produce mainly coffee and *qat*. The latter is a mild narcotic the Yemenis take in ritualized settings. Supposedly, it promotes a feeling of good will, ameliorating the Yemenis's normally disputatious personalities.<sup>10</sup>

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In the late 1980s, North Yemen, with a population (at the time of six million), had over 50,000 settlements, of which the average size was only 90 people.<sup>11</sup> Only three of these had a population of more than 50,000, six with more than 10,000, and 134 with more than 1,000. That Yemen could function as a modern state with a demographic base such as this is impressive.

The Yemenis are a tough people, organized primarily along tribal lines. The tribes (in the north, at least) are presided over by *sayyids*, i.e., religious figures who claim descent from the Prophet. Until the 20th century, Yemen was ruled by a so-called Imam, also a descendent of the Prophet.

This Imam held power of life and death over his subjects. That power had to be wielded deftly as the Yemenis, being a tribal people, practice the vendetta. Great tension exists between ruler and ruled. A chief who exercises good judgment (and has charisma) will do well; a heedless (and weak) ruler is unlikely to survive.<sup>12</sup> Finally, the significant fact about the Yemenis is that until World War I, they and the Morrocans were the only two Arab peoples never to have been conquered.

### **Into the Modern Age.**

Yemen was never *totally* conquered. However, the southern part of the country was taken over by the British in the early 19th century. The British wanted Aden (see Figure 1), then a mere fishing village of only 500.<sup>13</sup> Aden is one of the best natural ports in the Red Sea/Indian Ocean area, and is also—because of its location—of great strategic importance.

In the last century India was the cynosure of British foreign policy. The sub-continent was the source of much of Britain's wealth, and, to secure it against foreign penetration, London established bases throughout the Red Sea/Indian Ocean area. Aden was one such base. After the French built the Suez Canal (circa 1875), the Red Sea became a conduit for vessels entering the Indian Ocean from

the Mediterranean, and, from Aden, Britain could control this traffic. Although initially a checkpoint, Aden later developed into a commercial center. Indeed, it was not long before Aden became one of the foremost bunkering stations for ocean-going traffic in the Middle East.

Technically, Britain took Aden from the Turks. But, as already indicated, the Ottoman Empire's hold on Yemen never was absolute. Consequently it did not take much for the British to prise the southern region away from Istanbul. Then, after World War I and the collapse of the Ottoman Empire, Britain took control of southern Yemen *de jure* as well as *de facto*.

The Imam of Yemen, whose capital Sana'a was located to the north of Aden, resented British machinations in the south. However, there was little he could do about it. The Imam had been a nominal ally of the Central Powers in World War I, and this complicated attempts to defy the British once that war had ended.

The outcome of World War I affected Yemen in another way. During the war the British navy switched from coal- to oil-powered ships. Britain's main supplier of oil was Iran, where the British-controlled Anglo-Persian Oil Company had an exclusive concession. Britain tried to build a refinery in Iran, but the plan was frustrated by nationalist agitators. This forced London to look for an alternate site, and it decided on Yemen. Thus it was that one of the largest oil refineries in the Middle East rose at Aden, transforming the lives of not only the southern Yemenis but the northerners as well.<sup>14</sup>

The British used local labor to build the refinery and afterward employed Yemenis in its operation. The work force had to be housed, fed, and clothed, and thus the area's economy was reinvigorated. Moreover, Aden attracted immigrants from India, Ethiopia, and Somalia. By 1963 the city's population had risen to 225,000, and it had become a major entrepot—as it had been in Biblical times.<sup>15</sup>

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However, one unanticipated (by the British) development of Aden's transformation was the appearance of labor militancy. The refinery workers unionized, and it was not long before the union grew into the most powerful in the Middle East. Ironically—from the standpoint of the British—it was the unionists who ultimately led the fight to oust Britain from Aden, and from the whole of south Yemen.<sup>16</sup>

### **Initial Clashes with the Saudis.**

As stated, the Imam of Yemen was displeased over the British taking control of southern Yemen. He capitulated because at the time he was pressured by the Saudis. Coincidentally, with the British seizure and subsequent development of Aden, there appeared in Saudi Arabia a conservative religious movement known as the *Wahhabiis*. This movement, championed by the house of Saud, embarked on a campaign of conquest. Ultimately Ibn Saud, the founder of the current dynasty, seized practically all of the Arabian peninsula including an area known as Asir (see Figure 1). This latter territory was claimed by the Imam.

The Imam could not hold Asir because of the venality of the local chiefs. They took bribes in the form of rifles and ammunition, which the Saudis dispensed to them. Nonetheless, the Imam resisted stubbornly, and, in the end, the Saudis negotiated a truce whereby they agreed to lease Asir, thus abandoning attempts to annex it.<sup>17</sup>

Having practically lost out in this contest, the Imam was not in a position to defy Britain over Aden. He agreed to a treaty that demarcated the boundary between his northern holdings and South Yemen, which stipulated that no changes be made in the governing arrangements of the south once the treaty was signed.<sup>18</sup>

But then Britain decided that physical possession of the port of Aden was not enough. London also wanted to control the southern hinterland, stretching along the Indian Ocean portion of the peninsula (see Figure 1). To secure this, the British plied the princes of the coastal region with weapons.<sup>19</sup>

This was a significant shift in British policy towards the region. London was aiming to set up a loose confederation of princely states that would shut the Saudis off from the Indian Ocean—an important point, because, as will be shown below, attempts to deny the Saudis southern access recurred in later years.

While this was going on (in the late 1930s), Britain appeared invincible. However, forces had begun to operate which eventually would destroy the hegemony of Great Britain over the entire Middle East.

### **The Fate of Empire.**

After World War II, Britain suffered a succession of humiliations, starting in 1951 when Iran nationalized the Anglo-Iranian Oil Company.<sup>20</sup> Following that blow, in 1956 Egypt's Arab Nationalist leader Gamal Abdul Nasser seized the Suez Canal. Britain tried to abort the takeover by going to war with Cairo. Ultimately, however, it lost. Then in 1958, a newly installed Arab Nationalist regime in Baghdad ejected the British from Iraq.

Thus, as of the mid-1960s, Britain's only apparently solid base in the Middle East was Aden. Britain's Conservative Party determined to hold on to it at all costs. However, a strong nationalist movement had by this time appeared in South Yemen. The leading dissidents were those unionists mentioned earlier, many of whom were ideological Marxists.<sup>21</sup>

Britain's Labor Party came to power in October 1964, and it decided that Britain's presence in South Yemen was too expensive to maintain. Economic conditions in Britain had deteriorated after World War II, and the British public

would no longer bear the costs of empire. Thus, in February 1966, the Labor government decreed that Britain would pull out—not only from South Yemen but from all its bases “East of Suez,” which effectively ended the era of British colonialism.<sup>22</sup>

### **The Arab Nationalist Phase.**

I referred earlier to the difficulties encountered by the Imam of Yemen over the Saudis’ policy of suborning the tribes. This taught the Imam a lesson, viz., that he must have a private army. The Yemeni tribes—as with tribes anywhere—are not easy to manage. Before they act, they must achieve consensus, and even after consensus is obtained, nothing ensures that the tribesmen will not later change their minds.<sup>23</sup>

Thus in the late 1940s the Imam Yahia (Yemen’s ruler at the time) began sending Yemeni youths to Egypt and to Iraq for military training. This seemed a safe choice, since both countries were then ruled by hereditary monarchs and therefore sympathetic to the Imam, himself a royal figure. However, it was not long before, first in Egypt, later in Iraq, the royal rulers were swept from power by republican revolutions.

In the case of Egypt, Gamal Abdul Nasser took hold of government there in 1952. Nasser was the first true Arab Nationalist leader, and, in line with his philosophy of uniting the Arabs to oppose Israel and the West, in 1958 he formed the United Arab Republic (UAR). The UAR initially was a union of Egypt and Syria, although the aim, ultimately, was to draw all of the Arab states into a single political unit. For reasons that were never adequately explained, the Imam Ahmad, who had succeeded Imam Yahia, decided to make his country a part of the UAR, at which point the name of the union changed to the United Arab States (UAS).

The formation of the UAS was perceived as threatening to many conservative Middle Easterners. It was not that Egypt and Syria (even with the addition of Yemen) were all that powerful; in resource terms, they were weak. But, Cairo, under Nasser, was a center of propaganda. Nasser's agents skillfully played on resentments of the various Arab states for the "colonialists." From 1955 on, several Arab leaders joined the Arab Nationalist cause. In practice, this meant turning against the West.

The Soviet Union also became involved with the Arab Nationalists. Under Khrushchev, the Soviets took advantage of the burgeoning anti-Western sentiment to become a principal sponsor of Arab Nationalist regimes. Thus, by the early 1960s, Arab Nationalism, which originally excited the fears mainly of the old colonialists, and of Israel, became the *bete noire* of Washington as well.<sup>24</sup>

At the same time, however, once the Soviet Union entered the scene, a counter movement developed of Middle Easterners who looked to Washington for protection. These, by and large, comprised the area monarchs. Chief among them was King Feisal of Saudi Arabia. Initially, the rivalry between Feisal and Nasser was confined to a war of words, but gradually this cold war turned hot as the two leaders got into actual clashes over Yemen.<sup>25</sup>

Before Imam Ahmad died in 1962, he had taken Yemen out of the UAS, but his decision came too late. Several senior Yemeni officers had already fallen under Nasser's spell. Living in Cairo and subjected to the Egyptian's propaganda, the officers joined the Arab Nationalists, castigating the Imam, their erstwhile benefactor, as a retrograde representative of the *ancien regime*. Thus when Ahmad died and his son Badr inherited, the renegade military men mounted a coup in which they expressed their loyalty to Nasser. The officers made a big mistake, however; they failed to capture Badr, much less kill him. The new Imam escaped to the north to find shelter with the tribes. And there he threw himself on the mercy of the Saudis.

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## **The Civil War in Yemen.**

Confronted by hostile Arab Nationalists, Badr embraced the only individual who had a hope of saving him, viz., Feisal. The Saudi ruler deplored the appearance of yet another Arab Nationalist regime, this one virtually on his doorstep. The king was particularly distressed because in a previous Arab Nationalist takeover, the reigning monarch had been murdered.<sup>26</sup> Therefore, despite the long-standing enmity between their two countries, King Feisal felt bound to uphold the cause of his neighbor, the Imam.

Within months, Yemeni royalist forces, comprising mainly the tribes, were at war with Sana'a's "modern" army, which, although it fought determinedly, was no match for the tribesmen in their mountain redoubts. The struggle was more and more taken over by the Egyptians. It is estimated that by the mid-1960s Nasser had committed at least 40,000 troops to the Yemeni imbroglio (some put the figure as high as 85,000).<sup>27</sup>

Yemen was Egypt's Vietnam. From 1962 to 1967—when Nasser ought to have been concentrating on Israel—he instead was obsessed with Yemen, a morass into which he sank deeper and deeper. Yemen, as mentioned earlier, is extremely mountainous, the perfect territory for guerrilla warfare. A Yemeni tribesman, with a thorough knowledge of terrain, could inflict significant damage on Egyptian units attempting to maneuver in unfamiliar territory. It is a measure of the Egyptians' frustration that they were driven to use gas against the tribesmen, howbeit ineffectually.<sup>28</sup>

Several times over the course of the war, attempts were made to bring the conflict to a close. However, after 1966 Nasser lost interest in peacemaking. The British announcement that they would quit Aden spurred the Egyptian leader into expanding his horizons. He now felt confident that, if he could only defeat the Yemeni royalists, he would then be in a position to exploit the power vacuum

in the south caused by Britain's departure. And then, once the Egyptians took over in the south, they could deny the Saudis access to the Indian Ocean, which, of course, was what the British had tried to accomplish earlier.<sup>29</sup>

Unfortunately for Nasser, he committed a number of blunders and thus was drawn into the disastrous Six-Day War, in which not only Egypt, but the entire Arab world, was humiliated. After that, the Egyptians left Yemen forthwith. A conference was held in Khartoum in August 1967, at which time Nasser agreed to pull out in return for a subsidy from Saudi Arabia.<sup>30</sup>

The Yemeni royalists, spurred on by the Saudis, then attempted to seize Sana'a and failed. After that, the Saudis induced their clients to accept a compromise solution; the royalists entered into an alliance with the republicans, an arrangement which ensured the unity of North Yemen. In fact, the republic became a conservative, right-leaning bastion, which seemed to endear it to the Saudis. On the eve of the 1973 Arab-Israeli War—and the associated Arab oil embargo (which enriched the Saudis almost beyond belief)—this was not a bad position for the Yemenis.

### **The Marxist Republic in the South.**

As noted above, Nasser thought at one point in the Yemeni Civil War that, if he could just hold out against and ultimately overcome the royalists, he could co-opt South Yemen after Great Britain's departure. The Egyptian leader had reason to hope this would come about, since parties sympathetic to Cairo were active in the South's rebellion. However, it was not Arab Nationalists—of the Nasser stripe—that won out there, but rather doctrinaire Marxists, of the reddest hue.

It appears that after years of labor militancy the southerners were enamored of Marxism which, earlier in the 20th century, seemed to be the wave of the future. When the radicals took power, they set up the first Marxist

republic in the Middle East. (For all the willingness of the Arabs to ally with the Soviet Union during the Cold War, only one Arab state, South Yemen, ever actually adopted Marxism as the ideology of the regime.)

To all of this, the Soviet Union lent its support and, as a reward, was given a number of perks. Most important, from the point of view of the West, the Soviet Navy was invited to take advantage of Aden's facilities, and thus it abandoned its Indian Ocean berth in Berbera, Somalia (see Figure 1).

As may be imagined, all of the above developments proved dismaying to Washington and Riyadh. By this time, the civil war in North Yemen had ended, and the formerly warring parties had been reconciled. With good relations established, the Saudis—with Washington's assistance—moved to make the north a bastion against southern subversion. North Yemen went along with this, mainly because the Sana'a government was now assured of arms supplies from the United States by way of Saudi Arabia.

The Saudis, however, dispensed the weapons equally to the central government and to the tribes. This caused friction with Sana'a's leaders, who saw Saudi policy as inhibiting the Yemeni government's taking control of the country. Thus, in the 1970s, Sana'a looked around for an alternate supply of weapons, which it found in Moscow, concluding a large arms deal with the Russians in 1979.<sup>31</sup>

As a consequence, by the late 1970s, Yemen—north and south—had become a veritable arms bazaar, with weapons flowing to the area from both East and West. Unfortunately for the two Yemens, they used the arms against each other, which effectively precluded any hope of unification.

Interestingly, among the Yemenis—north and south—strong sentiment existed for unity. It seems that, for all their feuding, both parties wanted a unified state. The South Yemenis actually wrote into their constitution that they would strive for ultimate union.

Be that as it may, the reality was that the Yemenis fought each other. Actual firefights erupted along the north-south border, and several high ranking officials on both sides were assassinated by killers hired by one or the other of the parties. Several commentators have detected Saudi intriguing in these incidents—Riyadh apparently not only backed Sana'a against the Marxist south, but on occasion lent support to the Marxists to embarrass the northerners.<sup>32</sup>

This constant maneuvering for ascendancy went on until 1978, when Ali Abdullah Salih, the north's present ruler, took over. Salih pushed a policy of moderation, and, partly as a consequence, the rivalry began to cool. Ultimately it became possible to effect union, which came about because of a remarkable series of events.

To begin with, the Berlin Wall went down in 1989, signalling the collapse of the Soviet Empire. As a result, South Yemen had no patron. Then, practically coincidentally, reports of previously suspected oil deposits were confirmed in an area straddling the north-south border. As long as the two Yemens were at odds, these potentially rich fields could not be exploited. And therefore the time seemed ripe for another try at unification.

### **Various Strategies.**

If one looks back at this period, what does one find? Essentially that over the years the Yemenis—north and south—exploited three separate strategies. The first, which might be called the strategy of xenophobia, operated from the early 19th century to just after World War II. This was an attempt to keep the world at a distance. It was not very successful. It failed to keep the British from taking Aden in the south, and, in the north, the Yemenis also had to give way to the Saudis over Asir.<sup>33</sup>

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So by the late 1950s, the xenophobia strategy had broken down, to be replaced by the strategy of the “third force.” This was an attempt by the Yemenis—the Imam, specifically—to offset pressures on his regime by finding a third party with whom he could ally. The Imam thought he had found such an offsetting force in Egypt’s Nasser.

Nasser, in those days, was unambiguously opposed to the British. The Egyptian leader sprang from a tradition of Egyptian anticolonialism, dedicated to breaking Britain’s hold over that country. Nasser was also, by temperament, anti-Saudi, or rather antimonarchy. He viewed the institution of the monarchy as retrogressive. In Nasser’s view, kings belonged to Egypt’s past. The Arab nation that Nasser was trying to call to life had no place for pharaohs.

For the Yemenis to ally with Nasser, therefore, seemed not to make any sense, since the Imam was a monarch, no different than Feisal or any of the other oil shaykhs Nasser professed to despise. Still, among Middle Easterners it is well known that “the enemy of my enemy is my friend.” Perhaps for this reason the alliance was struck.

In my view, something more was involved, viz., economics. Arab Nationalism was a vehicle for have-nots, and in the 1960s, there were many have-not states among the Arabs. Egypt, Syria, Jordan—all were comparatively poor countries, as, of course, was Yemen. Indeed, next to these, Yemen was practically an economic basket case.

What Arab Nationalism proposed was to treat all Arab states as a single entity, and then to share out the wealth of all to each. Under such a setup, revenue from oil—owned by the Gulf monarchs—would be prorated among all 21 Arab powers, down to the poorest.<sup>34</sup> Assuming this arrangement could be made to work, Yemen stood to benefit.

Practically speaking, then, one could say that the Yemeni officers who overthrew the Imam and took Yemen into the Arab Nationalist fold were acting rationally. They were looking out for both their individual interests and the interests of the nation as a whole.

The great flaw in the Arab Nationalism theory was that ultimately it was anti-West. In the 1960s, Middle Eastern oil practically was controlled by the so-called Seven Sisters, a consortium of oil companies from the United States, Great Britain and the Netherlands.<sup>35</sup> The Organization of Petroleum Exporting Countries (OPEC) was not a power then—as later on it became—and consequently the oil producing states did what the consortium required of them.

Thus, when Nasser targeted the Saudis—which he did by entering the Yemeni Civil War—he antagonized the consortium and indirectly angered Washington and the whole of the West. The Egyptian leader managed to survive the defeat of the Six-Day War, but, after that, the center of Arab Nationalism shifted to Baghdad. And Yemen lost Cairo, one of its strongest potential allies.

This brings us to the third strategy. Having lost out with Arab Nationalism and the scheme of finding a third force to back them against their foes, the Yemenis, in effect, agreed to play the superpower game. After the Civil War, Sana'a went over to the side of the Saudis, which meant allying with the West. South Yemen, after the British departed, allied with Moscow.

This latter move, one could argue, was not astute. Moscow was a fairly weak reed, and thus South Yemen could not hope to gain much by allying with it. To be sure, in the late 1960s Moscow's limitations were not widely perceived. The Soviets were believed to be making significant penetrations into the area.

It would have made better sense had South Yemen avoided all contact with the Soviets and, instead, redoubled efforts to ally with North Yemen. However, the South Yemenis went over to the side of Moscow, with results that were predictable—Moscow did virtually nothing to help the south economically; indeed, it had not the means to do so.

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The whole episode of the Yemenis playing the superpower game, from a development standpoint, was sterile. A lot of guns flowed into the area, but nothing very positive occurred as far as the economies of the two countries were concerned.

Thus the stage is now set to look at Yemen in the period just before the Kuwait invasion, and to examine the events which effectively ruined its chances of benefiting in the era of American dominance in the Middle East.

### **The ACC.**

During the period of the Cold War, both Yemens exploited superpower rivalries. Marxist South Yemen, in addition to opening its port to the Soviets, launched an assault on its neighbor, Oman, where it sought to promote a Marxist movement of national liberation. The attempt failed, but not before Iran and Iraq both became involved, Iran on the side of Oman, and Iraq, South Yemen. North Yemen stood by the West during all of this period; acting as a counter to Soviet penetration.

The difference between the two states was that whereas the south received its aid directly from its patron, Moscow, aid to Sana'a was funneled from the United States through Saudi Arabia.<sup>36</sup> The Saudis equipped North Yemen's army; they also provided financial support, and this enabled the regime to perpetuate itself.

At the same time, however, Saudi support had strings attached. The Saudis constantly worried that Yemen would become self-supporting and pose a threat to them. This was a well grounded fear—the population of Yemen is 14 million, compared to Saudi Arabia, which claims 17 million but probably has no more than 7 million.<sup>37</sup> Moreover, the Yemenis went through a long civil war; the Saudis have never waged a war of such intensity (a fact to be discussed below). And, finally, recent oil discoveries in Yemen have raised the possibility Sana'a might finally be able to stabilize its economy.

Fearing the creation of a strong unified Yemen, the Saudis supported Sana'a guardedly. And the Yemenis, as a consequence, were constantly looking around for other outside assistance.

Immigration was always an income earner. Yemenis constantly were going overseas to work and sending back money to their relatives. Many of these expatriates—indeed upwards of a million—were in Saudi Arabia. Many others went to Asia and the United States. This setup brought additional funds but presented difficulties for the government—the expatriates remitted their money directly to agents in Yemen, who passed it to their families. Thus the government was not able to take its cut, as it were. Still, the expatriate remittances were vital for maintaining living standards, and so Sana'a adopted a policy of noninterference in these transactions.<sup>38</sup>

The state derived income from other schemes. For example, during the Iran-Iraq War, North Yemen sent a brigade to fight on the side of Baghdad. It was rewarded by the then-affluent Iraqis. However, this action was to have an extraordinary effect on the future of Yemen once the war had ended.

The Iran-Iraq War ended most unexpectedly. Iraq, after fighting Iran from 1980 until 1987—with barely a sign that it could defeat its enemy—suddenly in the summer of the 8th year launched a blitzkrieg offensive that destroyed Iran's war machine. Iraq won a clear military victory and was thus perceived, for a time, as a regional superpower.

Iraq then began to flex its muscles. Saddam Hussein behaved like the previous Arab strongman, Nasser. One of the projects he launched immediately after the war was to construct a regional economic bloc, similar to efforts in the Americas to form the North American Free Trade Agreement (NAFTA) and by the Europeans to enhance the European Community (EC). The idea was that by creating a large, centrally controlled mass of consumers, several states could enhance their economic power.<sup>39</sup> This was the economic side of the equation.

There was also a security side. Iraq proposed to form this bloc—the so-called Arab Cooperation Council (ACC)—out of the countries of Jordan, the now-unified Yemen, and Egypt. The rationale appeared to be that all of the states had helped Baghdad in the Iran-Iraq War; in other words, this was a pay-off, of a kind.

At the same time, however, this particular combination of states was extremely threatening to Saudi Arabia. The four countries comprising the ACC surrounded the Saudis (see Figure 1), physically wrapped themselves around it. And hence this was not something that would set the Saudis' minds at ease.

Additionally, the ACC clearly was meant to challenge the GCC—the choice of a name suggests this. When the GCC was founded in 1981, neither Iraq nor Yemen were asked to join, and there was resentment over this. However, this was in line with the GCC's makeup—it was an exclusive club composed of hereditary monarchs; Iraq and Yemen were republics. One could say, therefore, that Iraq, in forming the ACC, was seeking to resurrect the cause of Arab Nationalism, presumably defunct after the Israeli-Egyptian peace treaty.

The Israelis, too, had reason to be concerned about the ACC. The four states which made it up constituted a “pragmatic front.”<sup>40</sup> The Iraqi President even referred to the alliance as such. He claimed that the front would defend the Palestinian people, who, at this juncture, were not doing well—with the collapse of the Soviet Union and the emergence of Washington as the single surviving superpower, the Israelis expected to make short shrift of the Palestinians' territorial claims. But now, with the Front pledged to lend its support, Israel could expect to experience pressure.<sup>41</sup>

Of course, all this was predicated on Iraq's getting back on its feet financially. As can be seen, all of the states in the bloc were have-nots. Iraq, at the end of the war with Iran, was billions of dollars in debt. But the Iraqis proposed to treat this as a liquidity crunch, that is, a temporary

indisposition. This they could do because Iraq has probably the world's second largest reserves of oil. If the international banking community cooperated by rescheduling Iraq's debts, Baghdad could, in time, rectify its financial situation. Unfortunately for Iraq, the banks did not do this which was a major contributing factor to Iraq's subsequent invasion of Kuwait.<sup>42</sup>

With the move toward war, Egypt cut itself loose from the ACC, but Jordan and Yemen remained loyal to the Iraqis and thus drew on themselves the anger of the Coalition. Yemen, in particular, because of its behavior both in the United Nations and the Arab League, was targeted by Washington.

Prior to the Kuwait crisis, it was a rule of the League that no action could be taken unless approved by consensus. Since many Arab states supported Iraq, the League was prevented from taking actions favorable to the Coalition as long as this rule held. When Saudi Arabia and Egypt tried to overturn the rule, Yemen fought them. In the end, the consensus rule was overturned, but just barely.<sup>43</sup>

In the United Nations, Yemen was even better placed to help Iraq. By coincidence, it held the chair as President of the Security Council when the debate on the invasion commenced. Yemen lobbied for an "Arab Solution." It wanted to see the United Nations withdraw to the sidelines and let the Arab League resolve the dispute, a move that was vigorously opposed by the United States.<sup>44</sup>

Yemen lost out in both fora, and, after the war had ended, retribution was not long in coming. The hopeful future to which Yemen aspired under the ACC disappeared. The country found itself virtually isolated. The most immediate consequence was an angry reaction from the United States, which retaliated against Sana'a economically. AID assistance went from \$50 million to less than \$4 million virtually overnight.<sup>45</sup> For a time, Yemen's economy appeared to be in a free fall.

## Why?

Why did Yemen's President Salih fight so hard for the Iraqis? And why—when he must have seen that the fight was lost—did he not jump ship, or even go as far as to join the Coalition (as did Egypt)? A number of reasons can be given. It is possible that Salih was deluding himself—he wanted so badly to see Iraq escape, he allowed himself to believe that he could help bring this about. On the other hand, one could say that Salih was simply being hard-nosed. He had taken a stand in support of Iraq and felt bound to maintain his position. This sort of attitude is not unusual in tribal societies or ones where tribal influences are strong.

In my view, Salih was in over his head. Yemen held the presidency of the Security Council; this gave it a chance to affect the outcome of events. However, conditions had to be right for this, and, in this instance, they were not.

Under the old Cold War system, compromise would have been the order of the day. Some sort of deal would have been struck to let Iraq off the hook. But, by 1990, times had changed. With the Soviet Union falling apart, the United States had no need to seek a deal and would not do so.

This was a revolutionary development. It signalled nothing less than the breakdown of the old superpower balance. It is unlikely, however, that Salih caught on to this. In failing to see what was happening, Yemen's leader became an early victim of the New World Order.

In any event, Desert Storm really did set the Yemenis back. Had Salih been able to proceed with the ACC, he might have consolidated his position. As noted, oil had been discovered and concessions let—to the Hunt Brothers from the United States, and the French company, Total.<sup>46</sup> However, Sana'a had no infrastructure and developing the concessions would prove difficult. With support from Iraq, the Yemenis might have overcome this situation. Also, money from Iraq could have helped Salih in another, more basic, way—it could have given him the means to buy off his

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enemies; his opponents would either have had to come over to his side or face extinction. In view of how events subsequently turned out, failure to resolve this latter difficulty affected Salih most adversely.

### **The Aftermath of the Gulf War.**

Immediately after the Gulf War ended, Yemen faced an international environment hostile to its welfare. Three factors were at work—Saudi and U.S. punishment for Yemen's support of Iraq, the end of the Cold War superpower competition, and the reforms demanded by international banks.

As stated, Yemen had earlier lost the support of the Saudis. But, worse, in the process of taking their revenge, the Saudis expelled over a million Yemeni expatriate workers.<sup>47</sup> Having this challenge forced on him was bad enough, but Salih also had to reckon with the loss of the workers' remittances. Further, there was the loss of America's favor. For a small, poor, Third World country, to incur the wrath of Washington was devastating.

Ordinarily, Yemen could have expected someone to help out. Under the old system of superpower rivalry, the Soviets would have offered to do so. But that avenue, of course, was now closed.

Yemen might have appealed to the conscience of the world community, have pleaded its poverty, and raised the specter of its imminent dissolution. After all, throughout the 19th century, as well as most of the 20th, it rarely happened that a state was permitted to fail.

With the introduction of the New World Order, however, times had changed. The failure of states was not only possible—some in Washington were arguing that, under certain circumstances, it might be inevitable.<sup>48</sup>

This conviction was based on a reading of current history. After the demise of the Soviet Union, it was argued, the structure of world politics had changed. The nation-state was becoming increasingly irrelevant. States, it was

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argued, served but two purposes—to defend against external enemies, and to promote native industry by keeping foreign competition at bay. Now—in the New World Order—tariff barriers were falling, and power politics, too, would disappear. The world was about to witness the dawning of an era of international peace.<sup>49</sup>

To be sure, crises would continue to arise, but these would be largely economic ones—difficulties of the sort that Yemen was having to confront, where its position was almost bankrupt. Here the theorists were ready with an answer. The solution for Yemen—and for other similarly afflicted states—was to apply to the international lenders for relief.

In the specific case of Yemen, the procedure would be for it to apply, and the IMF—after consulting with the Yemeni government—would work up a plan of reforms. Yemen would be asked to undertake certain measures—as, for example, it would have to end consumer subsidies and other forms of dependence on the state sector. After the reforms had been initiated, the IMF would supply the money Yemen required, doling it out in tranches. As Yemen moved further along the reform path, more money would be released to it. In other words, solvency would come about as a matter of course, and it would be a product of Yemen's exertions in its own behalf, worked out with the oversight of the lending authority.

This is all very well, but it raises a question. What if the affected state cannot implement the mandated reforms? In the case of Yemen, some of the steps the Fund would require would entail considerable hardship. Austerity, for example, would be difficult for the Yemenis, since they were already living so close to the subsistence level. There would be risk of serious internal unrest were the Yemenis subjected to deprivations over and above that which they were already having to undergo.

The theorists never specifically addressed this problem, but they seem to imply that where states cannot perform, they must fail.<sup>50</sup> And they further suggest that this will not be a great problem. In the New World Order, states will fail without seriously disrupting stability. There was, after all, the example of Somalia.

In the honeymoon period of the New World Order, when much seemed to be possible, the United Nations went into Somalia determined to put it back on its feet—and it failed. The United States was caught up in that failure, and, subsequently, Somalia had an impact on America's thinking about humanitarian assistance, and the degree to which the United States should be involved in such undertakings.

The general turning-away of Americans from overseas involvements derives in part from Somalia. The cost there in American lives was judged not worth the interests involved. In essence, Somalia failed, and no great calamity came of that. Other states, like Yemen, could fail as well without causing significant disruption of international stability.

This was the climate after 1991, when Yemen fell into its deep distress. To the Yemenis, it must have seemed that their situation could not have been worse. It was, however, to become so.

### **Clashes With Saudi Arabia.**

In May 1994, South Yemen attempted to break away from the newly formed union, a move that was supported by the Saudis, if indeed they did not foment the breakaway.<sup>51</sup> The North acted to crush the secession and was successful. In three months the rebels were defeated, and the leaders of the revolt had fled the country.

Salih now was in complete control of both Yemens. With surprising magnanimity, he quashed attempts at revenge-taking against the southerners and even refrained from forcing a confrontation with Riyadh—although there could be little doubt that the Saudis were involved in the affair.<sup>52</sup>

Salih's restraint was all the more remarkable in view of the destruction that had been incurred. The Yemeni President later reckoned that the war cost Yemen over \$7 billion. Not only was the refinery in Aden set ablaze, but the southerners fired Scud missiles at Sana'a.<sup>53</sup>

Then, in late December 1994, the Saudis moved troops into Asir province, the same which Sana'a and Riyadh fought over in the 1930s (see Figure 2). As pointed out above, the status of Asir never was settled—the Yemenis only leased the region to the Saudis; they never gave up their claim to it. Every 20 years that lease had to be renewed. When it came due in 1994, the Saudis unilaterally expropriated the disputed territory.<sup>54</sup>

To Yemen, this is a crucial area, the site of one of the recently discovered oil fields.<sup>55</sup> Sana'a moved to contest the Saudi seizure, and firefights erupted. As the skirmishes continued, it began to appear that the dispute would escalate. Indeed, at one point, it was claimed, the Saudis massed forces at three places along the border.

Abruptly, in January 1995, Riyadh called a halt. King Fahd agreed to negotiate the dispute after intercession by the Syrian foreign minister.<sup>56</sup> Out of this, the two sides agreed to create a commission to study the issue.

Subsequently it was claimed that both events—the secession try and border dispute—derived from personality clashes. It was alleged that Saudi Defense Minister Sultan, brother of King Fahd, feeling himself betrayed by Salih, determined to have revenge. He first engineered the breakaway and, being thwarted here, next moved to take away territory that Sana'a prized.<sup>57</sup>

This interpretation may be correct; personalities may have been involved. However, it is possible to make a different interpretation, viz., that this is a simple power grab. Riyadh saw that Sana'a was hurt by the fallout from the Second Gulf War. Reduced to pariah status along with Iraq, its old rival appeared in no position to defend itself.

Riyadh therefore moved against Sana'a, taking advantage of the latter's compromised position. Unexpectedly, however, the Saudi machinations miscarried. Riyadh tried again, seizing territory that Sana'a claimed. But again the energetic response of the Yemeni government thwarted takeover. Twice frustrated, the Saudis were forced to change course and open negotiations, apparently with the aim of suborning the Yemeni leadership.

Since these negotiations are still going on, it is difficult to predict what will come of them. However, there have been a couple of disturbing occurrences in the interim. In December 1995 reports surfaced of renewed fighting along the Saudi-Yemeni border. Moreover, it was alleged that Riyadh now was importuning Sana'a to, in effect, give it a permanent lease to a strip of land running through Yemeni territory to the Indian Ocean (see Figure 2).<sup>58</sup>

Riyadh apparently wants to build a pipeline to the ocean to convey its oil, but will not do so unless it can acquire what amounts to a right-of-way. Sana'a regards the Saudi demand as an infringement on its sovereignty.

If this is what Riyadh is angling for, then it is likely the dispute will not be easily resolved. This could turn into a long-term complication, and a serious shooting war could erupt at any time.

Meanwhile, also in December, Eritrea (located opposite Yemen on the Bab al Mandab) seized Hanish al Kabir, a small island on which Sana'a had garrisoned troops (see Figure 1). The island appears to be Yemen's property, but the Eritreans, having taken it over, refuse to give it up.<sup>59</sup>

This island seizure is worrisome. Particularly so, since it comes after all of the other events involving Yemen—the attempt by the Saudis to engineer the break-away of South Yemen from the north and the two border clashes. This raises the specter that something more profound is at work here, that the Yemeni problem is growing.

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In line with this, voices have been heard within the Arab camp that Israel is somehow mixed up in the Eritrea dispute, that it is backing Eritrea to buttress its geopolitical position in the Horn of Africa.<sup>60</sup> The claim of Israeli involvement is unsubstantiated and therefore should not, at this stage, be taken seriously. It is the actions of the Saudis that remain, far and away, the most troubling. If the Saudi leadership has made up its mind to destabilize the Sana'a government, this will have adverse repercussions for the security of the Gulf, and for American interests in the region.

### **Preserving Gulf Stability.**

The regime in Riyadh is not strong just now. Indeed, it appears to be going through a particularly difficult period. In November Saudi King Fahd stepped down, claiming that his health would not permit him to bear the responsibility of rule.<sup>61</sup> He handed over the government to his half-brother, the Crown Prince Abdullah. But then in late February, King Fahd announced that, with his health improved, he is ready to take over again.<sup>62</sup>

The King is 74 years old and is known to be suffering from diabetes. When he announced his decision to step aside, this was taken by many observers as a useful move, since it ensured that the succession would not be disputed, Abdullah being the King's anointed heir.<sup>63</sup> Now, with Fahd attempting to retake control, rumors have surfaced of a contest within the royal family, pitting Abdullah against Sultan; both princes seek to be Fahd's successor.<sup>64</sup>

For the Saudis to become involved in a shooting war with the Yemenis at a time when the leadership is divided would not be prudent. Moreover, in addition to uncertainty about the rule, the House of Saud is experiencing difficulty in another area—there is popular discontent over the royal family's perceived corruption. The lifestyle of several of the princes is anathema to pious Saudis.<sup>65</sup>

The world was shocked when, in November 1995, a bomb went off in Saudi National Guard headquarters in Riyadh.<sup>66</sup> To date, it has not been established who set the bomb, but most experts agree that this was meant to embarrass the royal family.

Finally, we have the matter of the economy; it is not in good shape. For the first time since the oil boom of the 1970s, young Saudis with advanced degrees are going without jobs, and the government has called on its subjects to practice austerity, something totally new to the Saudis.<sup>67</sup>

What would occur were the Saudis to take on the Yemenis in a war—and do badly? That the Saudis would outright lose such a confrontation is unthinkable. But, given the extreme nationalism of the Yemenis, the latter could be expected to put up a stiff fight, with the potential of embarrassing the Saudi military. One would have to expect a backlash against the House of Saud, were anything untoward to happen. In a tribal society—like that of Saudi Arabia—the first qualification for leadership is war-fighting ability. A regime that is apparently deficient in this department cannot hope to claim the full allegiance of its subjects.<sup>68</sup>

What is at stake, then, in this festering agitation over Yemen, is nothing less than the stability of the House of Saud, which raises the question of U.S. interests in the Gulf region.

### **The U.S. Role.**

U.S. policy in the Gulf is in many ways contradictory. The policy as regards the northern Gulf is clear. There, Washington is determined to suppress the regimes of Iran and Iraq. It does this by imposing economic embargoes on the two. In respect to Iraq, America has gone further—in effect, it has divided up the country. It has imposed a no-fly zone in southern Iraq and declared the northern Kurdish area off limits to the Iraqi army. To all intents, the northern Gulf is America's sphere of influence.

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In the south, Washington pursues somewhat the reverse policy. There, it tries not to interfere in the internal affairs of the area states and will not become involved in disputes between those states. When states of the lower Gulf get into difficulty, Washington is prone to let them work things out on their own, keeping a distance from the disputants.

Actual clashes between the lower Gulf states have, until recently, been nonexistent, and so there is no precedent for intervention. Now, however, with the eruption of fighting between Saudi Arabia and Yemen, and Yemen and Eritrea, all this has changed. America has reason to become involved, and still it seems to be steering clear.

This raises a question: Is America staying out of these conflicts because it is disinclined to meddle in the affairs of its allies? This would be commendable, except for the fact that Washington's declared purpose for having a military presence in the Gulf is to maintain stability. Moreover, the number of crises developing in this crucial area seems to be proliferating.

For example, Bahrain—one of the six GCC states—is experiencing extraordinary domestic unrest. The majority Shia population is upset over what it perceives as discrimination by the nation's Sunni leadership. The Shias charge that, in suppressing popular demonstrations, the Bahraini government has jailed some 2,000 people (the regime admits to 500).<sup>69</sup> Also, at the beginning of the the year, Bahrain suffered a series of bombings; most recently two luxury hotels were targeted in which several persons were killed.

Similarly, in 1994 in Oman, an attempted plot against the Sultan was discovered and 200 persons arrested.<sup>70</sup> There have been no significant incidents of unrest subsequently, but that something of this nature should have occurred at all is disturbing. The Sultan is presumed to be a popular ruler.

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Then there is the case of Kuwait, where the leadership has yet to regain the respect of the people after the having fled the country to escape the invading Iraqis, leaving the mass of Kuwaitis behind.<sup>71</sup>

Various explanations have been cited for what is causing all of this unrest. For example, some analysts believe that Iran is responsible. This may be so in the case of Bahrain. Iran has a history of involvement in that country's affairs.<sup>72</sup> At the same time, however, it is clear the natives there have a grievance against their government. And in Oman and Kuwait, there is no sign of outside involvement, not of Iran or anyone.

I believe that much of this unrest has come about because of the Second Gulf War. Before that war, the lower Gulf states were fairly isolated from the world. After the conflict, the states found themselves thrust into the international spotlight; they were called upon to play a quite significant role, one for which they were perhaps unprepared.<sup>73</sup>

Be that as it may, there needs to be a mechanism for settling disputes between the states of the lower Gulf, and for composing dissension within them. Ideally, the summit meetings of the GCC should provide this. But the GCC, in my view, is a flawed instrument. It does give the GCC leaders a chance to get together, but how much good comes out of these meetings is problematical. In the last of the summits, Qatar walked out, claiming that Saudi Arabia was steamrolling its projects through without concern for its fellow members.<sup>74</sup>

Subsequently, the Qatari leadership claimed to have uncovered a plot to overthrow the government, and hinted broadly that native officers implicated in the affair were acting at the behest of Riyadh. Apparently, the frustrated rebels fled into Saudi Arabia after their plot went awry.<sup>75</sup> This Qatari-Saudi tension is particularly disturbing, because, if Qatari insinuations have any basis in fact, a pattern seems to be emerging; that is, of the Saudis intimidating their neighbors in the lower Gulf.

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The Qatari-Saudi dispute definitely needs watching. Qatar is not a negligible entity. It has the third largest supply of natural gas in the world and is situated close to Iran and Iraq. In the past it maintained good relations with both these states. Were Qatar truly to become estranged from the GCC, this would hand a propaganda victory to both the Iranians and Iraqis. Taking all of these instances into account, it is my belief that the United States must become more involved in the affairs of the lower Gulf. It should particularly set itself to monitoring the disputes between the GCC states, with the intent of—where possible—heading them off, not allowing them to develop into hot wars, which is an acute danger with respect to the Saudis and Yemenis.

### **Recommendations.**

U.S. policymakers must expand their perspective of the Gulf as an American sphere of influence to encompass, not just the northern Gulf, but the whole of it, including the Horn of Africa. Events in the southern part of the region have an overall impact on Gulf security. Washington must take the whole area into account in a comprehensive regional strategy. This should be done for the health of the region, but also to look out for U.S. interests there.

In the specific case of Yemen and Saudi Arabia (which I believe is, far and away, the most serious dispute), Washington should work to bring about a settlement; and one way of doing this would be to reinstitute Yemen's AID assistance. At the same time, however, I realize that, at this particular juncture—given the mood of Congress—this is probably not a realistic proposition.

However, just as this study was being concluded, the IMF acted in Yemen's behalf. On March 20, 1996, its executive board met and agreed to extend the Yemenis a \$193 million loan for a 15-month period. This is in one way a good thing; in another, it is bad. It is good from the angle that it shows Washington is turning its attention to Yemen's predicament and has acted to help the country out.<sup>76</sup> By getting the IMF to agree to extend a loan to Yemen,

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Washington is, at the same time, indirectly letting the Saudis know that it does not approve of the continuing unrest over Yemen, and, to the extent that the Saudi royal family is fomenting it, Washington expects them to desist.<sup>77</sup>

But there is still the problem—discussed earlier in the study—of Yemen's ability to fulfill the obligations that IMF loans incur. It is very likely that the Yemenis will not be able to put through the mandated reforms, and then the IMF will be moved to withhold its debt relief. What then? Effectively, this will put Sana'a back into the difficulty from which it is struggling to free itself.

The United States will have to keep an eye on this matter and, if Yemen does fail to carry through on the IMF requirements, be prepared to step into the breach to somehow tide it over; that is, to provide enough aid so that the country will remain stable, and there will not be an explosion of popular unrest.

After that, I feel, the United States should offer to mediate the Yemen-Eritrea imbroglio. Again, it should do this as a way of signalling that it views the affair with distaste and is anxious to see it settled. Finally, as regards to America's Gulf policy overall, Washington should stop concentrating solely on the northern Gulf and begin to more closely monitor events in the south. The situation in Bahrain is becoming quite alarming, and the Qatari-Saudi dispute, unless mended, could grow into a significant concern.

The United States cannot afford to lose its special position in the Gulf. Its energy policy, and indeed its status as the leader of the New World Order, is conditional on its being able to maintain stability in this crucial part of the world.

Ultimately, U.S. policymakers should think about the Gulf, not as a series of bilateral arrangements worked out with a handful of states (viz., the GCC), but as a system. Systems are living things; they evolve, and, under some

circumstances, they sicken and die. In the case of the Gulf, this last eventuality is a distinct possibility. There is yet time to head off serious difficulties in this area, but U.S. policymakers must move swiftly.

## ENDNOTES

1. For example, Marwan Bishara, writing in "Don't Throw Good Money After Bad Politics in the Middle East," *The International Herald-Tribune*, October 28-29, 1995, says, . . . in 1993, all the Arab countries combined, with the exception of Saudi Arabia and embargoed Iraq and Libya, garnered only \$337 million in funds from international capital markets; that is roughly 0.4 percent of the total \$80 billion raised by all developing countries." Also Thomas L. Friedman, "Egypt Runs for the Train," *The New York Times*, October 18, 1995, says, "Today the Arab Middle East attracts 3 percent of global foreign investment, while East Asia attracts 58 percent. Egypt exported and imported more goods and services 20 years ago than it does today. . . ." Friedman's article, "Almost Egypt," October 25, 1995, *New York Times*, makes a similar point. In addition, see "In the Middle East The Newest Rivalry Is Over Cash, Not Arms," *The Wall Street Journal*, December 18, 1995; "Peres warns on peace dividend," *The Financial Times*, October 25, 1995; and for the statistics on which many of these articles are based, see *Claiming the Future: Choosing Prosperity in the Middle East*, Washington, DC: The World Bank, 1995.

For articles on the cutoff of direct U.S. aid to the Middle East, see "GOP Foreign Aid Cuts Called Security Threat," *The Washington Post*, September 13, 1995; "Conferees Agree on Foreign-Aid Bill That Reduces Development Assistance," *The Wall Street Journal*, October 25, 1995; "New steps on debt relief," *The Financial Times*, September 14, 1995; "Debt and Africa's poor, The World Bank plans \$11 bn debtor fund," *The Financial Times*, September 14, 1995; "Cutbacks from U.S. worry World Bank," *The Rochester Democrat and Chronicle*, September 25, 1995; "A Plea to Help Capital Flow to Third World," *The New York Times*, April 28, 1995; "Levels of aid for poor nations fall to 20-year low," *The Financial Times*, June 15, 1995; "Unicef criticizes economic reform's high human cost," *The Financial Times*, January 27, 1994; and "As Congress Sharpens Knives to Cut Foreign Aid, Critics Warn of Damage to U.S. Policy-Making," *The Washington Post*, May 18, 1995.

2. The GCC, founded in 1981, is made up of Saudi Arabia, Kuwait, the United Arab Emirates (UAE), Qatar, Bahrain and Oman.

3. At the time of unification (1990), Yemeni unemployment was about 25 percent; it has subsequently risen to 50 percent. Inflation escalated from 55 percent in 1993, to 145 percent in 1994, and was anticipated to be 175 percent for 1995. Runaway inflation is fueled by the accelerating devaluation of Yemeni riyal, which reached 140 to the U.S. dollar at the end of March 1995; steadily rising budget deficits, which have gone from 18 percent of GDP in 1992 to 23 percent in 1994, and an anticipated 25 percent in 1995; and mounting foreign debt, which reached an all-time high of \$7 billion in 1995. See the Country Profiles, under Yemen, for the years 1990 through 1994, *The Economist Intelligence Unit*, London; also *Claiming the Future: Choosing Prosperity in the Middle East and North Africa*.

4. There are indications that Yemen's aid will be completely cut in subsequent budget negotiations.

5. Yemen is a next-door neighbor to Saudi Arabia, which has the largest reserves of oil in the world. As the study will bring out, severe dislocations experienced in Yemen have their effect on the Saudis, and this, ultimately, could disturb the economy of the West. The stability of the free market system is therefore keyed to this part of the world.

6. Throughout the study, I will refer to Iraq's invasion of Kuwait as the Second Gulf War.

7. See Paul Dresch, *Tribes, Government, and History in Yemen*, Oxford, England: Clarendon Press, 1989, p. 6.

8. *Ibid.*

9. For a good explication of the Zaydis, see *The Yemens: Country Studies*, Washington, DC: Foreign Area Studies, 1986, p. 24-28.

10. *Ibid.*, 106-108.

11. J.E. Peterson, *Yemen: The Search for a Modern State*, Baltimore: The Johns Hopkins University Press, 1982, p. 13.

12. There would appear to be a contradiction here—if the Yemenis are so intractable and covetous of their individual honor, how could the Imam hold sway over them? It appears that he did this by, in effect, manipulating the religious law. As an expert in the law, the Imam could discover justification for actions that he wished to take. Whereas the individual tribesmen might stand up to secular authority that he perceived to be arbitrary, disputing with the religiously sanctioned rulings of the Imam was another matter. See Peterson, *Yemen: The Search for a Modern State*, pp. 23-24.

13. Britain occupied Aden in 1839, after the Ottoman Turks had virtually abandoned the place. See Tom Little, *South Arabia: Arena of Conflict*, New York: Frederick A. Praeger, 1968, pp. 10-11.

14. See Robert Stookey, *South Yemen: A Marxist Republic in Arabia*, Boulder, CO: Westview Press, 1982, p. 31 f.

15. *Ibid.*

16. For background on the growth of the radical movement in South Yemen, see Little, *South Arabia: Arena of Conflict*; also Stookey, *South Yemen: A Marxist Republic in Arabia*.

17. The Treaty of Taif, whereby the war was concluded, did not grant Asir to the Saudis permanently, but only for a 20-year renewable term. The treaty was renewed in 1954 and 1974, and came up for renewal again in 1994. However, this last time no renewal was set, which led to Saudi-Yemeni clashes, as we shall see below. See Mark Katz, "External Powers and the Yemeni Civil War," in *The Yemeni War of 1994*, Abu Dhabi, United Arab Emirates: The Emirates Center for Strategic Studies and Research, 1995, p. 82.

18. *South Yemen: A Marxist Republic in Arabia*, p. 41 f.

19. *Ibid.*

20. The Anglo-Persian Oil Company subsequently changed its name to the Anglo-Iranian Oil Company. In addition, the Iranian government in the early 1950s nationalized the company, but then the consortium of multinational oil companies (the Seven Sisters) fought the move, and, ultimately, the U.S. Government prevailed on the Shah to modify the nationalization so that the companies retained many rights and privileges. The change was accompanied by the CIA overthrow of Prime Minister Mossadeq, who originally pushed through the nationalization.

21. See Stookey, *South Yemen: A Marxist Republic in Arabia*, 56 f.

22. *Ibid.*

23. For the best discussion of the tribal system in Yemen, see Dresch, *Tribes, Government and History in Yemen*.

24. See Samir Amin, *Re-reading the Postwar Period*, New York: Monthly Review Press, 1994, p. 28.

25. See Malcolm Kerr, *The Arab Cold War: Gamal 'Abd al-Nasir (sic) and his Rivals, 1958-1970*, London: Oxford University Press, 1971.

26. This was the youthful Feisal, King of Iraq, during the republican coup in 1958.

27. *The Yemens: Country Studies*, p. 77.

28. *Yemen: The Search for a Modern State*, p. 89.

29. *The Arab Cold War: Gamal 'Abd al-Nasir (sic), 1958-1970*, p. 108.

30. The Saudis, Kuwaitis, and Libyans agreed to subsidize the Egyptians and Jordanians (the Syrians boycotted the conference), as the two so-called confrontation states which had fought Israel in the 1967 war.

31. *South Yemen: A Marxist Republic in Arabia*, p. 59 f.

32. *International Defense Review*, 11/1990, "Unified Yemen: New Power in the Arabian Peninsula," pp. 1227-1229.

33. *Yemen: The Search for a Modern State*, p. 144 f.

34. There are 20 Arab states, and PLO is usually included as the 21st.

35. The so-called Seven Sisters were Mobil, Exxon, Texaco, Socal, Gulf, British Petroleum, and Royal Dutch Shell.

36. See Robert D. Burrowes, "The Other Side of the Red Sea and a Little More," in *The Horn of Africa and Arabia*, Defense Academic Research Support Program, December 1990.

37. See Mark N. Katz, "Yemeni Unity and Saudi Security," *Middle East Policy*, Vol. 1, No. 1; and "Peace Still in the Balance," *Jane's Defense Weekly*, March 28, 1992.

38. See *Yemen: The Search for a Modern State*, p. 147.

39. See *The New York Times*, "The Arabs Are Forming Two Economic Blocs," February 17, 1989.

40. See Ofra Bengio, *Saddam Speaks On the Gulf*, Tel Aviv, Israel: The Moshe Dayan Center for Middle Eastern and African Studies, 1992, pp. 94-95.

41. There was another worry for the Israelis, and that was a plan, evidently conceived by Saddam Hussein, for Iraq to enter into an arms building project with the Egyptians. The Egyptians would provide the technical know-how and Iraq the cash to develop an Arab arms industry. See *The Washington Post*, "Egypt Drops Out of Missile Project," September 19, 1989; and "Egypt May Drop Plan to Build Tank," *The Washington Post*, May 11, 1989.

42. For a discussion of Iraq's difficulties with the banks, see Stephen Pelletiere, *Chaos in a Vacuum*, New York: Praeger, 1992.

43. For the Saudi reaction to Yemen's support for Iraq at the Arab League and the United Nations, see James E. Akins, "The New Arabia," *Foreign Affairs*, Summer 1991.

44. See "Baker Rebuffed By Yemeni Leader On U.N. Resolution," *The Washington Post*, November 23, 1990.

45. After the U.N. vote in which Yemen backed Iraq (Cuba was the only other dissenter; China abstained), American diplomat John Kelly was quoted as telling Yemeni Ambassador Abdullah Al Ashati in the Security Council chamber, "that was the most expensive vote you ever made." "U.S. Takeover at the U.N.," *The Nation*, October 12, 1992. See also James Baker, *The Politics of Diplomacy*, New York: Putnam, 1995, pp. 325-329, for Baker's account of his reaction to Yemen's vote in the Security Council. Baker says, incidentally, that Yemen's AID assistance was \$70 mn, not \$50 mn.

46. At this time reports circulated throughout the oil industry that the Saudis tried to sabotage the Yemenis by refusing to do business with firms that bid on the Yemeni concessions.

47. See "Yemen and Saudi Arabia," *Middle East International*, June 23, 1995.

48. *The Washington Post*, in an editorial entitled "A Genocide Evaded," January 15, 1996, bemoaned what it perceived as a growing disposition on the part of American policymakers to allow nations to fail. In part, the editorialist observed,

The United Nations is heavily influenced in this instance [the crisis in Barundi] by the United States, and the United States by its own past misfortunes and political embarrassments in Somalia, Haiti and Bosnia. In American discourse, the messy and uncertain work of treating such situations has come to be

dismissed as “social work” remote from a discernable “national interest.” The standards for engagement become rules for nonengagement. Success is measured not in terms of genocides deterred but quagmires avoided.

49. See Francis Fukuyama, “The End of History?,” in *The National Interest*, Summer 1989. Specifically, Fukayama talks about the coming into being of a “universal homogenous state.” This state, according to Fukayama, is what is left after liberalism has vanquished all of its competitors, the most formidable of which was communism. Under the universal homogenous state, there is no “conflict over large ‘issues’ (Fukayama), and consequently no need for generals or statesmen; what remains is primarily economic activity.” In the same issue of *National Interest*, a number of scholars comment on Fukayama’s theory, some in quite glowing terms, and it is here that the intended application of Fukayama’s theorizing comes through. For example, Allan Bloom, of the University of Chicago, writes, “It appears (from a reading of Fukayama’s theory) that the world has been made safe for reason as understood by the market, and we are moving toward a global common market, the only goal of which is to minister to men’s bodily needs and whims.” French political scientist Pierre Hassner, in the same issue of *National Interest*, observes that “(Fukuyama) is certainly right about the dominant trend of international politics: the prevalence of . . . economic calculations over grand politics.” And, finally, Stephen Sestanovich, of the Center for Strategic and International Studies, questions what he regards as Fukuyama’s belief that (in the New World era) “ideological antagonism and military competition will give way to ‘Common Marketization’—to a world in which . . . war is a senseless interruption of commerce and bureaucratic accommodation will resolve all conflict.”

Also see “The nation-state is dead, Long live the nation-state,” *The Economist*, December 23, 1995; and the review of Jean-Marie Guehenno’s book, *The End of the Nation-State*, “Beyond Maps and Passions to a Decentered Empire,” *New York Times*, January 1, 1996.

50. See “Is West Slighting Africa’s Hot Spots Like Liberia,” *The New York Times*, January 23, 1996, in which this attitude is clearly expressed. Also see “Home Truths About Genocide,” *The Financial Times*, January 13, 1996.

51. The Saudis initially promoted a vote of the GCC supporting South Yemen. They then attempted to get the United Nations to impose a ceasefire. Had they been successful in this, the South Yemenis might have entered into negotiations with the north, while still preserving their independent status. When the ceasefire bid failed, the Saudis next appealed to the United States to recognize South Yemen. Here, again, they were frustrated, as Washington refused to go along. Had

Washington acceded to the request, the whole affair probably would have turned out differently than it did, since several European states were poised to recognize the South, once Washington pointed the way. For background on this, see "Yemen Says Saudi Threat Bars a Truce," *The New York Times*, June 6, 1994; also "A Saudi-Yemeni Truce," *Al-Quds al-Arabi* (editorial), June 5, 1994, quoted in *Middle East International*, June 23, 1995.

52. See "North Yemenis Seize Aden, Claim Victory in Civil War," *The Washington Post*, July 8, 1994.

53. *Ibid.*

54. See "Saudi Arabia: 'Source' Denies Yemeni Statement on Border," SPA, *FBIS-NES-94-245*, December 21, 1994; "Official Sources Claim Saudi Attack on Border Post," Paris-Radio Monte Carlo, *FBIS-NES-95-001*, January 3, 1995; "Steps To Prevent Clashes with Saudi Arabia Agreed," AFP, *FBIS-NES-95-003*, January 5, 1995; "Salih Discusses 'Incidents' With Fahd Over Phone," Sanaa Radio, *FBIS-NES-95-007*, January 11, 1995; "House Speaker Denies Troop Deployments on Saudi Border," *London AL-HAYAH 10 Jan*, *FBIS-NES-95-007*, January 11, 1995; "High Level Delegation To Visit Saudi Arabia 14 Jan," Paris Radio Monte Carlo, *FBIS-NES-95-009*, January 13, 1995; "Paper Explains Buildup on Saudi-Yemeni Border," *AL-ANWAR 17 Jan*, *FBIS-NES-95-012*, January 19, 1995; "Paper Welcomes Containment of Yemeni-Saudi Border Dispute," *London AL-SHARQ AL-AWSAT 17 Jan*, *FBIS-NES-95-012* January 19, 1995; "Salih Confirms Saudi Concentrations in BBC Interview," Sanaa Radio, *FBIS-NES-95-019*, January 30, 1995; "Reaction To Accord With Saudi Arabia Reported," Sanaa Radio, *FBIS-NES-95-038*, February 27, 1995; "Salih: Dispute With Saudi Arabia Can Be Resolved Through Dialogue," Sanaa Radio, *FBIS-NES-95-021*, February 1, 1995; and "Crisis over the Border," *Middle East International*, January 20, 1995.

55. "Breaking the Ice," *Middle East International*, June 23, 1995.

56. See *Ibid.*; also "Reaction to Accord Reported," *FBIS-NES-95-038*, February 27, 1995; "Yemen Border Tension Defused," *The Financial Times*, January 16, 1995; and "Saudi Arabia, Yemen OK a group to define border," *Philadelphia Inquirer*, February 27, 1995.

57. Sultan, as Defense Minister, signed off on all arms deals with the Yemenis and also was in charge of all direct dealing with Salih. The Saudi Foreign Ministry did not handle Yemeni matters.

58. See "Ministry Denies Border Tension With Saudi Arabia," Riyadh Radio, *FBIS-NES-95-239*, December 13, 1995; "'Clash' Said Followed Saudi Troop Movements on Border," *London AL-QUDS AL-'ARABI*, *FBIS-NES-95-239*, December 13, 1995; and "Yemen tries to defuse Saudi border tensions," *The Financial Times*, December 15, 1995.

59. See "Sanaa Accuses Eritea of Attacking Red Sea Isle," *AFP*, *FBIS-NES-95-242*, December 18, 1995; "Yemeni Prime Minister Vows to Defend All Land," Sanaa Radio, *FBIS-NES-95-243*, December 19, 1995; "Yemen Denies Launching New Attack By Warplanes," *AFP*, *FBIS-NES-95-244*, December 20, 1995; "Yemen's Taqi: 'Military Option' Not Ruled Out," Baghdad TV, *FBIS-NES-95-246*, December 22, 1995; "Butros-Ghali To Mediate Yemen-Eritrea Dispute," *KUNA*, *FBIS-NES-95-250*, December 29, 1995; "Yemen Said Preparing To Retake Island From Eritrea," *London AL-QUDS AL-'ARABI* 6 Feb, *FBIS-NES-96-026*, February 7, 1996; and "Yemen, Eritrea Fight Over Island," *The Washington Post*, December 18, 1995.

60. See "Yemen Envoy Hints At Israeli Involvement," *MENA*, *FBIS-NES-95-244*, December 20, 1995; and "Israeli Role Alleged," *AL-SHAQ AL-AWSAT*, *FBIS-NES-95-242*, December 18, 1995.

61. See "Saudi King Cedes Power to Half Brother," *The Wall Street Journal*, January 2, 1995; "Saudi shift of power is seen as permanent," *The Philadelphia Inquirer*, January 3, 1996; "In Smooth Transfer of Power, Saudis Allay Short-term Fears," *The Washington Post*, January 6, 1996; "Saudi Crown Prince to Take Over While King Rests," *The New York Times*, January 2, 1996; "Conservative Abdullah takes reins of power," *The Financial Times*, January 26, 1996; and "Ailing King Fahd hands over power to Saudi Prince," *The Financial Times*, January 2, 1996.

62. See "Saudi King Says He's Well Enough to Rule," *The Washington Post*, February 22, 1996.

63. See "In Smooth Transfer of Power, Saudis Allay Short-term Fears," *The Washington Post*, January 6, 1996.

64. Sultan is a full brother of King Fahd. However, Abdullah, who is the next oldest among the brothers, is a half brother (their father had more than one wife). It is fairly widely conceded that all power in Saudi Arabia rests in the hands of five brothers, including the King and Abdullah. However, four of the power wielders are full brothers; Abdullah is the odd man out.

65. See "Ruling Family and the Economy Fuel a Simmering Saudi Discontent," *The International Herald Tribune*, December 19, 1994; "Britain Expels Saudi Dissident," *The Washington Post*, January 4, 1996; and "Saudi nerves soothed by government's action," *The Financial Times*, January 10, 1996.

66. See "Bomb in Saudi Arabia Felt Round the Persian Gulf," *The New York Times*, November 17, 1995.

67. "See Deficit fears remain after tight Saudi budget," *The Financial Times*, January 3, 1996.

68. The Saudi rulers have already lost considerable face over the Yemeni clashes. According to a story in the *Washington Post* ("Bentsen To Meet With Saudi Ruler," September 23, 1994), the Saudis were so chagrined by the defeat of South Yemen (which they obviously were supporting) that they asked President Clinton to send a high ranking U.S. official to meet with King Fahd to bolster the impression that Riyadh was still high in Washington's favor. The Saudis wanted National Security Advisor Anthony Lake, the *Post* story claims, but they accepted then-Treasury Secretary Lloyd Bentsen. In the same connection, some observers feel that Prince Sultan is making an issue of the fight with Yemen to enhance his chances of taking over as King after Fahd. Sultan's reputation was somewhat tarnished by the apparent poor showing of Saudi troops during Desert Storm, and he is trying to compensate for this, or so the story goes. For background on this, see "In Uneasy Time, Saudi Prince Provides a Hope for Stability," *The New York Times*, January 19, 1996.

69. See "Paper Sees Wider Danger in Bahrain Unrest," *FBIS-NES-94-247*, December 23, 1994. Also for recent developments see "Bahrain Opposition Says Police Fired on Protestors," *The New York Times*, January 10, 1996; "Bahrain Breaks Up Opposition Rally," *The Washington Post*, January 11, 1996; "Hundreds flee after bomb goes off in Bahrain hotel," *The Philadelphia Inquirer*, January 18, 1996; "Bahrain Arrests Shiite Opponents," *The Washington Post*, January 23, 1996; "Bahrain Seizes More Protestors After Sabotage," *The New York Times*, January 24, 1996; "Gulf states 'must curb unrest,'" *The Financial Times*, January 29, 1996; "Iran Expelled a Bahraini Diplomat," *The Wall Street Journal*, February 2, 1996; "Bahrain unrest points to Gulf-wide problem," *The Financial Times*, February 6, 1996; "Bomb Explodes In Auto Near Bahrain Market," *The Washington Post*, February 15, 1996; and "Bahrain Arrests Suspects in Two Hotel Bombings," *The Washington Post*, February 20, 1996.

70. See "Oman 'investigating motives' of 200 dissidents," *The Philadelphia Inquirer*, August 31, 1994.

71. See "Kuwaiti Parliament Tries to Assert Power," *The Washington Post*, May 16, 1995.

72. Bahrain has always been an object of covetous interest for the Iranians. Under the Shah, the Iranians claimed that Bahrain was part of Iran. Then, when Khomeini took over, the claim was advanced anew—indeed, the GCC came into being in the aftermath of violent disturbances in Bahrain, which the United States claimed the Iranians had fomented. Today there is no doubt Iran is supporting the Shias who are demonstrating against the Sunni leadership. However, the Shias are backed up by Sunni elements of the population, and the demand of the protestors is for the government to revive the parliament which was suppressed. There is a question, then, whether the difficulties in Bahrain are due to outside agitation by the Iranians or this is a homegrown affair.

73. For example, before the Second Gulf War, Iraq was the defender of the GCC states against Iran; now it is the enemy. Before the war, Israel was the principal threat to these states; now the GCC rulers are opening up to Tel Aviv and discussing trade exchanges. Most significant, perhaps, is the support formerly tendered by the GCC to such causes as that of militant Islam. This was considered a sacred duty not too long ago and is now construed as helping "terrorists." One could argue that the inhabitants of the Gulf states have failed to keep up with such changes and are confused with some of the moves made by their leaders. This confusion is enhanced by the fact that none of the states are democracies, and, therefore in many cases where the policy shifts occur, the people are not set to anticipate them, and, hence when they develop, they are perceived as shocking departures from the norm.

74. See "Public Opinion Does Not Support GCC," *Al-Sharq, FBIS-NES-95-250*, December 29, 1995.

75. See "Qatar thwarts plot to shake Hamad's rule," *The Financial Times*, February 21, 1996; and "Qatar Reports Numerous Arrests in Attempt to Restore Ex-Ruler," *The Washington Post*, February 21, 1996.

76. This is the case because the United States, as the largest contributor to the Fund, has a significant say in its lending behavior. It would be virtually impossible for Yemen to have received a loan, had not the United States signed off on it.

77. It could be argued that, without meaning to, the United States created the conditions that led to Yemen's present difficulties. U.S. action in cutting off aid to Yemen (after the Security Council vote) seemingly conferred pariah status on the Yemenis. Having incurred the wrath of the sole surviving superpower, it might have seemed to Yemen's enemies that Sana'a was now fair game.

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