The Arab Gulf States Institute in Washington

Building bridges of understanding

Yemen after the War

Workshop Report

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Event Report

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The Arab Gulf States Institute in Washington (AGSIW), established in 2014, is an independent, nonprofit institution dedicated to increasing the understanding and appreciation of the social, economic, and political diversity of the Arab Gulf states. Through expert research, analysis, exchanges, and public discussion, the institute seeks to encourage thoughtful debate and inform decision makers shaping U.S. policy regarding this critical geostrategic region.

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About This Report

This report captures the discussion from the AGSIW and b'huth workshop "Yemen after the War" held on October 14, 2016. The workshop brought together practitioners and scholars with representation from Yemen and all of the Gulf Cooperation Council countries to discuss the challenges and opportunities in a post-war Yemen.

The workshop was held under the Chatham House Rule and the views expressed here are those voiced by the participants. Every effort has been made to provide a fair representation of the discussion, although it may not fully represent individual opinions and analysis.

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Welcome Letter

Dear Colleagues,

It gives me great pleasure to present the final report of the daylong workshop "Yemen after the War" co-hosted by the Arab Gulf States Institute in Washington and b'huth, the Dubai Public Policy Research Center, in Washington, DC on October 14, 2016.

Yemen is in the grip of its most severe crisis in years. Wracked by war, civilian casualties continue to mount, and the country teeters on the brink of a humanitarian disaster. The biggest challenges for any future Yemeni government and the international community will be ensuring long-term peace, shouldering the economic and fiscal burden of post-conflict reconstruction and, ultimately, determining if the nation can be made whole again.

The workshop brought together a diverse set of experts on Yemen, including scholars, economists, international development practitioners, and representatives from nongovernmental organizations. The discussion looked beyond the requirement to reach a negotiated settlement to the conflict, and focused on how best to secure an economically and politically sustainable Yemen once the war ends. Participants explored internal dynamics and grievances in Yemen, the agendas of local and regional actors, and obstacles to brokering a lasting peace agreement. Discussants highlighted the urgency of physical reconstruction and political reconciliation, how to ensure an inclusive transition, and how to mobilize the resources of the international community and private sector in support of these processes.

At the conclusion of the workshop, participants identified the principal challenges facing a post-conflict Yemen, and recommended measures that should be taken, points of contention that will need to be resolved, and impediments to achieving long-term stability that will need to be overcome. This report summarizes the discussion and subsequent recommendations, which we hope will serve to inform efforts to build a stable and prosperous Yemen after the war.

Sincerely,

Ambassador (ret.) Stephen A. Seche
Executive Vice President,
Arab Gulf States Institute in Washington

Mohammed Baharoon
Director General,
b'huth

Executive Summary

On October 14, 2016, the Arab Gulf States Institute in Washington and b'huth, the Dubai Public Policy Research Center, co-hosted the workshop "Yemen after the War," at the AGSIW offices in Washington, DC. The workshop examined challenges and opportunities in a post-conflict Yemen. Participants in the daylong event included subject matter experts from diverse academic, professional, and national backgrounds. The discussions evaluated the daunting obstacles currently hampering efforts to achieve a cessation of hostilities, as well as the challenges related to planning for what the discussants unanimously concluded would be a lengthy recovery process following the conflict. The workshop was divided into three sessions. The first focused on designing a lasting peace and an inclusive transition, the second reassessed the role of the international community and the private sector in Yemen, and the third provided an opportunity for participants to offer recommendations for the best way forward.

The recommendations that were put forth may be viewed as the essential building blocks of a potential action plan that proposes politically feasible and economically sustainable solutions and serves as a foundation upon which Yemen's future can rest. These recommendations do not advocate for a particular sequence of measures. They do not favor or give precedence to a political resolution of the conflict over comprehensive structural economic reforms or vice versa. The workshop participants reached a consensus that political reconciliation will not succeed unless it is accompanied by economic incentives that convince all segments of Yemeni society that they are stakeholders in a collective endeavor. In that spirit, inclusiveness, both political and economic, is the fundamental requirement for a stable and prosperous Yemen.

Recommendations

- Devise an effective cease-fire monitoring mechanism. The United Nations is unlikely to accept the responsibility, in which case a peacekeeping force may be comprised of Yemeni military and security officers supported by international experts. Demobilization of armed militias and security forces will be crucial, but must be done in a gradual manner that provides economic alternatives to those whose livelihoods are at stake. Don't rush to elections; demilitarize first.

- Develop the necessary institutional framework for effective governance and an inclusive political system. Include measures aimed at sustainable economic development as an integral part of any political reconciliation.

- Consider what will be the proper degree of decentralization of political power. Focus on the local level and build a sense of community across Yemen. Look to Yemen's existing strengths by focusing on enduring institutions such as local councils and civil society organizations. Draw on Yemen's tribal traditions in areas of governance and conflict resolution to ensure authenticity and maximize local buy-in. Change the legal framework within which Yemen's local councils operate so they are free from the central authority's meddling and direction.

- Streamline delivery of aid as a means of bolstering post-conflict reconstruction. Consider the feasibility of two approaches: one for long-term (investment) needs and another for short-term (recovery and reconstruction) challenges. Focus on rebuilding critical infrastructure, including electricity grids. Restructure Yemen's banking sector so that it becomes an effective lender.

- Look to the private sector as both an engine of growth and a guarantor of a political transition, since it cuts horizontally across society and includes all parties to the conflict. Within the private sector, small and medium enterprises can serve as a backbone of economic revitalization.

- Limit the role and presence of external players, some of whom enjoy influence with various Yemeni groups. Their presence is a result of the vacuum left by a weak central authority. However, potential Yemeni "spoilers" must be brought into the transition process, or they may undermine it in an effort to advance their own agendas, or those of external forces. Identity politics has become an issue during this conflict and has to an extent damaged social cohesion. The underlying factors must be addressed.

- Preservation of the Yemeni state will be critical for post-conflict stability. The institutions of Yemen's government must be restored if citizens are to regain trust in their government's ability to provide services and meet needs. In this regard, programs such as the Social Fund for Development and the Social Welfare Fund have proved their merit and should be revived quickly. Strengthen the existing legal framework and ensure that laws are uniformly applied.

- The future of the South is an existential issue for Yemen and must be addressed. A sense of common purpose is needed to bind the South to the rest of Yemen. Southerners will only re-engage in national politics if they are persuaded that a unified Yemen can and will serve their interests.

Introduction

The conflict in Yemen is often referred to as the forgotten war. Critics have argued that the international community has long neglected the daunting economic and political challenges that have vexed the Yemeni state for decades. Although the National Dialogue process that followed the ouster of long-time President Ali Abdullah Saleh from power showed great promise – a number of people cited Yemen as an example of an Arab Spring country that was on the verge of successful transition – in a matter of a few months, old, and some new, grievances surfaced and the northern Houthis took up arms against the internationally recognized government of President Abd-Rabbu Mansour Hadi. As the Houthis forced Hadi out of Sanaa and seemed intent on imposing their will on the rest of the country, Saudi Arabia entered the fray by launching airstrikes against the Houthis and allies of Saleh in March 2015. From that point, the conflict took on a considerably broader dimension.

Two years after the Houthi rebels forced Hadi out of Sanaa, the conflict – and the violence – continues. A political resolution remains elusive. The AGSIW and b'huth workshop "Yemen after the War" looked beyond the prospects for a cessation of hostilities in the short term and considered paths for political reconciliation and economic recovery in the long term.

Shaping Yemen's Future after the War

Economic Recovery is Crucial

The first session of the workshop, "Designing a Lasting Peace and an Inclusive Transition," focused on the steps that must be taken once a cessation of hostilities is achieved and what must be done to permanently bring the war to an end. Closely examining all the political, economic, and social challenges that Yemen will confront as it seeks to recover from the violence of the past two years will be key.

Discussants expressed concern about parties to the conflict, especially Saudi Arabia, playing a major role in the post-war reconstruction, while others warned that sharply diminished oil revenue will impede Saudi Arabia and other Gulf states from making the sizeable contribution to Yemen's recovery that will be needed. Concern also was raised about the potential for manipulation and politicization of donor aid and the need to ensure that reconstruction occurs in a transparent environment. At the same time, a number of participants warned of the staggering cost of reconstruction given the scope of the devastation to the infrastructure and the scale of the humanitarian crisis. Speakers also strongly urged that Yemen draw lessons from failed transitions in other countries as well as the previous failure of its own National Dialogue Conference. Nevertheless, a consensus emerged calling for an inclusive approach, asserting that all parties, especially "spoilers," must be involved and treated as stakeholders. Transitional assemblies were also recommended.

There was a general view that foreign aid for recovery and reconstruction should be in the form of a consolidated framework that exercises oversight from the center. Additionally, the need for accountability was stressed. Discussants expressed concern over the lack of transparency in awarding reconstruction contracts in other post-conflict situations, and asserted that this must

be mitigated. Yemen has to focus on developing human capital, with sectors like agribusiness holding particular promise. It is necessary to explore ways to affect structural changes to Yemen's economy, including developing the industrial capacity to produce finished products. Currently Yemen primarily exports raw materials, the least desirable position in the production chain.

When considering post-conflict reconstruction assistance, there was some support for pooled funds, so no external party would exert direct influence over the process. Concern was expressed, however, about the reluctance of the United States and the Gulf Cooperation Council countries – most of whom would likely play a vital role in assisting Yemen's post-conflict recovery – to participate in a pooled fund mechanism because of the loss of control over their aid and how it is disbursed. While no consensus was reached as to what the mechanism for effective disbursement of international financial support should look like, there was a strong feeling that the Friends of Yemen model used in recent years was ineffective because it relied too heavily on the central government's ability to manage it. Suggestions included using the private sector as a direct recipient of assistance funds, given the need to generate employment in the immediate aftermath of the war. This was described as an investment model for international assistance, incentivizing participation by offering countries a return on the money they invest in Yemen's recovery.

Addressing the Emergence of Identity Politics

The emergence of identity politics has complicated the conflict and its potential resolution, with one Yemen expert maintaining that the conflict is no longer purely political. As an example, he suggested that the General People's Conference, the political party closely associated with former President Ali Abdullah Saleh, has become a "more Zaydi" organization than ever before, with the GPC-Houthi axis evidence of this trend.

The violence can end and lasting peace can be achieved only if negotiations and agreements are based on a principle of "no victor, no vanquished." Experts cautioned that there is an urgent need to address social cohesion in Yemen. The error of the GCC-brokered peace deal following the 2011 uprisings was that it tried to take too much from the Zaydis, especially in the context of military and security sector reform, according to some participants.

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The apparent corrosion in Yemen's social fabric was a central theme of the discussion. Discussants argued that the current approach to negotiations does not address key issues, or answer the question, "What does the Yemen of the future look like?" The likelihood that at least some portion of South Yemen will attempt to secede was a main point of concern. Some argued that bonds of national unity have been destroyed and that effective bureaucracy has suffered immensely. Nevertheless, while central government institutions were deemed ineffective at providing services, they were seen to have value in creating national cohesion. In this context, there were repeated calls for preservation of the central authority of the Yemeni state as essential to stability, even if the state's governance grows more decentralized in the future.

Plans for a post-conflict Yemen must draw lessons from the 2012 National Dialogue process.

Some participants argued that negotiations must acknowledge the proliferation of armed militant groups and that even the most radical among them, including fighters from the Islamic State in Iraq and the Levant and Al-Qaeda in the Arabian Peninsula, should be included in any future reconciliation efforts. "We must be open to all possibilities and not exclude anybody," argued one expert. On the other hand, others posited that while al-Qaeda is often engaged in local dynamics in other countries, it is not clear that is the case in Yemen. The option of "dealing with them separately" remained on the table. Some experts maintained that the social fabric of Yemen has not been as damaged as that in other countries undergoing conflict and that sectarianism is still not as pervasive as elsewhere in the region.

The role that Saleh is currently playing in the conflict and, more important, what his role should be in any reconciliation process remained unanswered. Some participants argued that the GPC and other Saleh allies were represented in negotiations in Kuwait but that it was not clear how representative they were of Saleh's wishes. Mistrust between Saleh and the Houthis continued to be a serious impediment to their ability to agree on what the final outlines of a peace agreement would look like.

Reducing the Size of the Military/Security Sector

The size and influence of the defense and security sector, which employs approximately 1.5 million Yemenis, nearly one-third of the country's workforce, must also be remedied by creating employment opportunities in the private sector. One participant argued that the Ministry of Defense cannot continue to serve as an "instrument" of the northern Zaydi tribes. Another maintained that a national army does not exist and that what is currently in place is a nothing but a collection of militias.

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There was discussion of the need for a "grand bargain" to be struck between Yemen and the GCC countries in order for lasting peace to be achieved. One participant argued that a militarized Yemen is a security threat to its neighbors, and proposed that Yemen should consider "outsourcing" its strategic defense to the GCC. In this context, the GCC would devise ways to absorb Yemen's military and security forces into those of member states. However, a number of other discussants had doubts that the GCC countries would be willing to take such a measure, considering the substantial security risk it entails. The GCC has been reluctant to accept Yemeni workers into its labor force and is therefore unlikely to integrate Yemeni security forces.

Strengthening Yemen's Existing Institutions, Including the Central Government

Protecting the institutions of the Yemeni government will be of immense importance, as some participants noted they are "what is left of the state." The Yemen that emerges from the conflict will be what is within the reach of its central authority and institutions; the rest of the country will be fragmented. In addition, new institutions must be created to help the central government and

local governments expand their capacity. Robust, effective institutions are a necessity if Yemeni citizens are to develop confidence in a future Yemeni state.

During discussions about what that future state might look like, including the extent of centralization of power, the Al Mahra governorate was cited as an example of how decentralization might work. Some participants argued that it provides a model of how local councils can take the place of a central government that has struggled with administrative capacity. International nongovernmental organizations that have focused on the community level, developing local councils and institutionalizing power sharing, were seen as valuable for building governance. Some discussants recommended building on successes of grassroots initiatives. However, others expressed concerns that problems at the central level are manifested at the local level as well. Power diffusion might be a better course than power sharing and economic factors are the key to future stability, some participants suggested. Along the same lines, others argued that the central government never functioned properly post-2011 and never developed enough capacity to manage its affairs and administer the various regions of Yemen.

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Drawing Lessons from Failures of the Past

The second session, "Rethinking the Role of the International Community and the Private Sector in Yemen" delved into some of the daunting economic challenges facing Yemen as the conflict continues, as well as the equally challenging reconstruction and recovery phase that will follow the cessation of hostilities. A view that appeared to resonate widely among the discussants was that, given the severity of expected challenges, efforts to address them must start now. Viewing the National Dialogue process as having contributed to the failed transition that led to the current conflict, discussants stressed the need to draw lessons from it. Some argued that while the political transition failed because it eventually led to the outbreak of war, it still managed to leave a legacy of inclusive politics. A participant argued that one of the valuable lessons is to examine the reasons why a large segment of Yemen's security sector revolted against Hadi's government. It was suggested that the reason was the manner in which security sector reform was undertaken, which threatened some sectors of Yemen's society disproportionately. Discussants also cautioned that anti-corruption measures must be managed carefully, as they always include "winners and losers" and tend to create instability in society.

Efforts to Achieve a Cessation of Hostilities Must Not Proceed Along Separate Tracks

During the workshop, participants discussed the various efforts to broker a permanent cessation of hostilities. Some asserted that the "architecture" of a peace agreement was outlined in negotiations held in Kuwait and that, overall, the talks made important progress. On the other hand, a number of discussants complained about what they described as "silos" in negotiations and said that negotiations are on "different tracks." Participants additionally stressed that, given the importance of economic grievances to the current conflict, economic challenges should be included in the agenda for political negotiations.

One discussant asserted that whatever agreement ultimately emerges, it will be very limited in scope. It will end the war, and any question as to the legitimate government, but fighting likely will continue in places like Taiz. That said, given Yemen's history of political violence and civil wars, a distinction must be made between war and "fighting." Another agreement likely will be needed to stop more localized violence. Considering this, some discussants criticized what they characterized as the "big bang theory" of mediation, whereby an agreement is expected to resolve all problems of society at once.

The question of Southern secession was raised by several participants, and it was stressed that the issue will have to be addressed. One participant described the South as "the biggest existential issue" for Yemen. The National Dialogue Conference, it was argued, failed to bring in the Southerners, and even now, some overarching sense of common purpose is needed to bind the South to the rest of Yemen. One discussant said that Southerners expect to secede once the conflict comes to an end, and that they would look to the Gulf Arab states for economic and political support. The same participant expressed deep pessimism about a unified Yemen stating, "I can't see a unified Yemen surviving the current conflict." The solution, it was argued, is that people in the South have to be convinced that a unified Yemen is possible. The question of how people in the South will politically re-engage was presented but few solutions were offered.

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Concerning the potential of peacekeeping forces being deployed in Yemen to monitor a cease-fire, it was suggested that the United Kingdom and GCC countries have expressed reluctance to send peacekeepers. The notion that the United Nations would send peacekeepers to Yemen was dismissed as very unlikely. On the issue of U.N. support for the transition, some participants argued for a new U.N. Security Council resolution on Yemen as a way to advance peace negotiations, but others countered that it would be preferable to wait and let the parties themselves agree on basic principles that could then be endorsed by the United Nations, to avoid the perception that the world body was dictating the terms for resolution of the conflict and the political transition that will follow.

Another approach to peacekeeping was proposed during the latter stages of the session, a so-called "third track," which envisions "indigenous" representatives not related to the warring factions or militias and "warlords," nor identified with the coalition countries. This would be a uniquely Yemeni effort. However, some discussants cast doubt on the feasibility of this approach, arguing that the credentials of such indigenous groups would come into question immediately by the groups that took part in the actual fighting. According to one discussant, groups resort to violence in the hope of being included in political negotiations.

Addressing Yemen's Humanitarian Needs

The session then turned its attention to how best to address the humanitarian crisis during and after the conflict. Humanitarian assistance is not how Yemenis sustain themselves. Most food and supplies are provided through private import houses. Nevertheless, humanitarian assistance covers 10 to 15 percent of the needs of Yemen's population, according to one participant with extensive knowledge of the humanitarian situation in Yemen. Ultimately, rather than relying on

humanitarian aid, macroeconomic stability is critical for the long-term prosperity of Yemen.

One mechanism that was stressed was the Social Welfare Fund, which participants argued should be maintained. The Social Welfare Fund is a government institution that was established in 1996 to distribute financial and other forms of assistance to disadvantaged families and individuals.

The current level of devastation in Yemen is much more extensive than that following the uprisings in 2011, and for a final peace deal to be achieved and be sustainable, a mechanism for economic support must be in place. For this to be successful, corruption must be addressed. The Yemeni government has been beset by widespread corruption for six decades. Participants also expressed concern about the lack of regard for the collective good, with private interests often trumping collective needs. Furthermore, the United Nations Office for the Coordination of Humanitarian Affairs estimates that over 3.27 million people have been internally displaced in Yemen;[1] the needs of these people must be addressed immediately. Nevertheless, the war, one expert maintained, "hasn't destroyed everything in Yemen," though people are waiting for a basic level of stability.

The Needs and Potential of Youth Should Not Be Ignored

Adequate attention should be given to Yemen's youth, who are concerned about security, particularly the threat from terrorism. They have a sense of helplessness, compounded by a lack of economic agency, believing that the economic realm is dominated by a handful of families. Many youths are reaching such a point of frustration and desperation that that they are willing to take up arms. One manner in which to address this is to incentivize youth hiring, but participants stressed that would require coordination. Ultimately, the needs and concerns of Yemen's youth could hold the balance to the country's economic future. The lack of resources was a perennial problem prior to the current conflict and economic development will continue to be essential.

Some discussants argued that like many of Yemen's challenges, the problem with youth employment predates the current conflict and has existed since the unification of the country in 1990. Then-President Saleh sent thousands of Yemeni workers to the GCC states in the late 1980s, which made him popular with many Yemenis, due to the millions of dollars of remittances that were sent home. However, the situation changed when Saleh refused to condemn Iraq's invasion of Kuwait in 1990, which led to Saudi Arabia sending home an estimated 1 million Yemeni workers. Over time, a lack of economic opportunities and other grievances have pushed Yemenis to revolt. Today, youth are armed and radicalized and job creation is one way to address this challenge.

Strengthening the Banking and Private Sector

Yemen's banking sector will also need to be supported and revitalized. The establishment of special banking units that could partner with the government to share business risk to fund small and medium-sized businesses could change the economic climate in a fundamental way. Banks in Yemen are not financiers and are content with placing surplus funds in the central bank. The banking sector's aversion to risk has limited economic growth.

1 "Yemen," United Nations Office for the Coordination of Humanitarian Affairs, October 2016.

As a result of the current war, local business and commercial sector growth has suffered greatly. It is critical that banks in Yemen be willing to take risks. The private sector lacks resources due to the war and will have difficulty rebuilding infrastructure. Participants suggested considering a Marshall Plan-type of economic assistance program for Yemen post-conflict. In the same vein, the creation of reconstruction funds and specialized institutions to support youth and agriculture would create a more inviting investment environment. Encouraging regional and international companies to be involved in the reconstruction of Yemen is also important. The private sector has the ability to transcend areas of conflict, social cleavages, and identities and therefore should play a central role in post-war economic recovery. For a successful recovery, specific sectors of the Yemeni economy should be supported, including agribusiness, power generation, and tourism. There is great opportunity in Yemen's strategic geographic location, which should be taken advantage of, and a wealth of potential in small businesses.

For a successful recovery, specific sectors of the Yemeni economy should be supported, including agribusiness, power generation, and tourism.

At the same time, the line between "public" and "private" is blurred in Yemen, creating a problem for potential public-private partnerships. Some participants advised against the continuation of government-owned entities, which they argued compete with the private sector. Privatization of 150 state-owned enterprises – most inherited from the old Socialist Southern regime – including cement and plastic factories, should be seriously considered. The private sector can also play a role in providing and delivering relief.

The discussants highlighted that Yemen's economy remains traditional in many respects. As recently as 2015, only 6 percent of Yemenis had bank accounts, meaning that much of Yemen's economy is based on cash transactions. The function of the central bank, especially its role in supporting capacity to import basic commodities such as rice, wheat, and sugar, should be strengthened. The future government has to help create an environment in which the private sector can prosper. The proper environment entails fewer bureaucratic hurdles and requires the proper regulatory framework. New entities must be established that extend microloans to entrepreneurs, clinics, and other institutions.

The International Community Must Step Up

The attention of the session then shifted to the international community and its role in helping Yemen's reconstruction. Finding efficacious means to mobilize resources, both external and internal, is key for a successful transition and reconstruction. Given the scope of destruction to the infrastructure as well as the damage to the nation's social fabric, it is crucial to find new ways of thinking about the roles of the international community and the private sector.

The international community still pays inadequate attention to Yemen, despite the devastating war and urgency of the humanitarian crisis. Further, there is a risk that recovery might be hampered by donor countries with different agendas and approaches to aid. Those seeking to help Yemen's recovery must advocate for a significantly shorter time frame in which the international community should deliver on its pledges of aid than it has in the past. A history of neglect has been not only detrimental to the country but has also had adverse effects on the region. Some participants speculated that the amount of money spent on "destroying Yemen's infrastructure" over the past

two years likely exceeds the total amount of foreign financial aid Yemen has received over several decades.

Some participants expressed the notion that international donors have created an "overdependency" in Yemen and other developing nations. They argued that various sectors of the economy become more vulnerable than they had been before receiving assistance after international aid is suspended. In contrast, other discussants argued that in the humanitarian world, fears of creating dependency result in denial of urgently needed aid. The real problem, some maintained, was poor planning. In Yemen, where much of the infrastructure has been destroyed, international aid will be required to build capacity. However, there is a potential for donor funding to exacerbate political divisions and polarize the political scene, and this must be prevented.

A history of neglect has been not only detrimental to the country but has also had adverse effects on the region.

Local institutions will need to play a more active role, as Yemen's central authority has always struggled with building a large enough capacity to effectively govern the entire country. One possible solution is to empower local councils to oversee how assistance funds are being disbursed and to insist that aid should go to those whose needs are most dire and who have the capacity to put it to use efficiently. In the same vein, participants recommended that the international community partner with local private sector entities. The "build, transfer, and operate" model could be a means of spurring private international companies to partner with private companies inside Yemen, enabling them to build capacity in the process.

Financial instruments that have been successful in achieving their objectives in other countries could also prove instructive for Yemen. The International Fund for Ireland is one such example. The fund was professionally administered and it collected government aid, as well as donations from private foundations and other sources, and funneled it into a single fund, developed a trust for the money, and evaluated investment opportunities.

A participant also recommended that two stages be devised for assistance: a pre-peace phase and post-conflict phase. The public sector has to allow the private sector to sustain its "resilience," meaning its ability to transcend some of the political, tribal, and sectarian cleavages that have widened during the conflict. For the private sector to create jobs, funds should to be divided into investment and reconstruction funds. There must also be an incentive for international donors through an investment fund that will permit them to see a return on the money they invest in Yemen.

Conclusion

Like other violent conflicts convulsing the Middle East, the war in Yemen does not have easy solutions. The involvement of the Saudi-led Arab coalition and reports of increased Iranian military support to the Houthi rebels have added a regional dimension to the conflict; it is no longer purely a civil war.

An end to this conflict will require a commitment to a political resolution from the international community, Yemen's neighbors, and most importantly, the warring Yemeni factions themselves.

Long-festering economic privation and political alienation will have to be addressed. An inclusive approach that makes all Yemenis view themselves as stakeholders in a collective endeavor is a must. Political reconciliation and economic recovery will require time, effort, and considerable concessions and compromises. Resolving the conflict will be just the first step and, in some ways, the easiest. Post- conflict reconstruction and political reconciliation will require a sustained commitment on the part of the international community, and the Yemeni people themselves. The Yemen that emerges from this process may look very different than it did before the war, and that may be both a necessary and positive evolution if it permits the country to become politically and economically viable.