



Yemen and Somalia: Terrorism, Shadow Networks and the Limitations of State-building

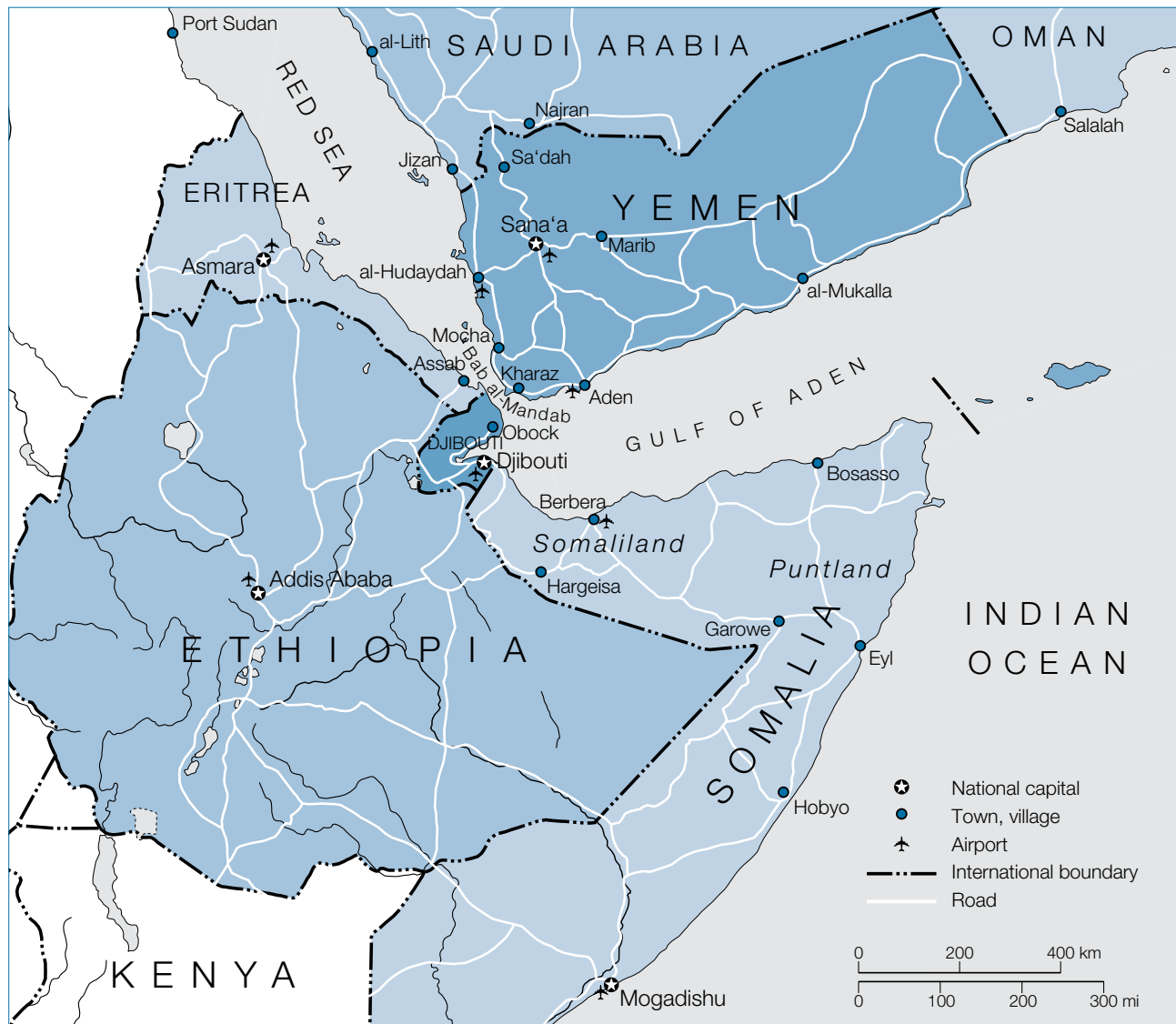
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Summary points

- Yemen and Somalia face parallel challenges: insurgencies, terrorism, economic hardship, and ineffective governments that are perceived to lack legitimacy.
- Western engagement in Yemen and Somalia is based on a state-building framework involving diplomacy, development and defence. Yet the priority attached to security-sector interventions undermines the balance of political and economic actions needed for this approach to succeed.
- There is a growing tendency among the Western policy community to amalgamate the risk emanating from Yemen and Somalia, on the basis that al-Qaeda affiliates in both countries are recruiting Western citizens, and have the potential to work more closely together.
- Both AQAP and al-Shabaab have developed successful narratives around injustice that are not being addressed by existing Western interventions.
- On the contrary, Western policies are contributing to a sense among some Yemenis and Somalis of being 'under attack' and are drawing them towards radicalization and militancy.
- The threat of radicalization extends throughout the far-flung diasporas of Somalia and Yemen, defying efforts at containment within the two countries and requiring new thinking about stemming the appeal of radicalism at source.
- Conventional counter-terrorism and counter-piracy strategies are hindered by the existence of multi-million-dollar shadow business networks spanning the Gulf of Aden.

Yemen and the Horn of Africa



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Introduction

The closing months of 2009 witnessed an upsurge in international interest in the links between Yemen and Somalia. Both countries were already recognized as trouble spots, with proven potential to threaten international security and a record of association with al-Qaeda. But neither had previously merited concerted Western engagement on the scale of Afghanistan or Pakistan. In the world of counter-terrorism policy, Yemen and Somalia hovered in the margins: not so dangerous as to require direct intervention but still too serious to ignore.

Since late 2009, events have continued to raise anxiety about the security risks emanating from the region. They include emerging evidence of American-Somali recruitment into al-Shabaab, the militant Islamist group now controlling most of south central Somalia, and allegations that the Nigerian citizen arrested for the attempted US airline bombing on Christmas Day 2009 was trained in Yemen. Al-Shabaab's declaration of practical support for al-Qaeda in February reinforced fears of increased cooperation between al-Qaeda affiliates in the region, and al-Shabaab's terrorist attacks in Kampala, Uganda, in July reminded policy-makers of the scale of the security threat and the vulnerability of the region.¹ In September, the director-general of Britain's security service, Jonathan Evans, declared that terrorist plots hatched in Somalia and Yemen posed a growing threat to the UK.²

Yemen – the poorest country in the Middle East – faces a population boom, rising unemployment and an acute economic crisis provoked by declining oil production. In addition to pursuing relatively small numbers of al-Qaeda operatives, the government also confronts persistent challenges from southern separatists and northern insurgents. Western policy-makers and regional Arab states are growing increasingly concerned about Yemen's ability to maintain security and stability with ever fewer resources. In Somalia state collapse is already well advanced and forms the backdrop to an apparently intractable regional security conundrum. There is growing realization that, despite

coordinated Western backing, the feeble Transitional Federal Government (TFG) is not making any headway against al-Shabaab.

Yemen is treated as a 'fragile' state, while Somalia, after 20 years of collapse, is often described as a 'failed' state. In the interstices between weak state institutions, and even more so in their absence, shadow networks have room to thrive. A number of such networks exist within and between Yemen and Somalia, facilitating a flourishing regional trade in arms, people-smuggling, and fuel-smuggling. The main purpose of such networks is to make money, but they also have the potential to enable more sinister exchanges.

Growing external interest in Yemen and Somalia reflects concerns about a new zone of instability spanning the Gulf of Aden, playing host to a core of trained militants and populations in both countries that are hostile to the United States and its allies. Fears are sharpened by the fact that al-Qaeda is thought to be targeting the recruitment of US citizens, including converts to Islam and so-called 'non-traditional' recruits to launch attacks against American targets within the Middle East and beyond.³ The prospect of American and European citizens being trained at al-Qaeda camps in the two countries deepens concern and 'emphasises the need to understand the nature of the evolving dangers'.⁴

This paper charts the emergence of al-Qaeda in the Arabian Peninsula (AQAP) and al-Shabaab, their potential convergence, and the parallel problem of the involvement of 'foreigners' in both organizations. It then looks at the wider set of relationships between the Horn of Africa and Yemen, including migration, arms flows and piracy in the Gulf of Aden. The paper examines the challenges of developing counter-terrorism strategies in countries characterized by state fragility and state failure. It discusses the limitations of the state-building framework on which Western engagement in Yemen and Somalia is based, the primacy so often given to security interventions and the corresponding difficulty of supporting political processes that improve

1 A Yemeni national has been implicated in planning and financing the Kampala attacks.

2 Reuters, 'Threats from Somalia, Yemen rise: Britain's MI5', 17 September 2010.

3 US Committee on Foreign Relations report *Al Qaeda in Yemen and Somalia: A Ticking Time Bomb*, 21 January 2010, p. 1.

4 *Ibid.*, pp. 4–5.

legitimacy. It concludes with some lessons to be learnt from counter-terrorism engagement in these two countries.

Extremism in Yemen and Somalia

The roots of violent jihad

Somalia

Twenty years of state breakdown in Somalia have produced myriad armed factions, largely organized along clan lines and oriented towards achieving local political goals. Intermittent international engagement has helped to shape the political forces that have evolved during the Somali conflict. Among these is a discernible thread of militant Islamist activism, most prominently represented during the 1990s by al-Ittihad al-Islami, a Salafi reform movement that fought to establish an Islamic state over the entire Somali region, including parts of Ethiopia. It attracted to its ranks a small number of Somali jihadists who had fought in Soviet-occupied Afghanistan. However, al-Ittihad lost out to the clan loyalties in the competition for allegiance and disbanded as a military force in 1997 after the Ethiopian military destroyed its training camps. But its members remained active in Somali politics and the organization produced the seeds of later, more militant, movements.

There was already a broader internationalist current that sought to represent conflict in Somalia as part of a wider global jihad. International jihadists like to claim credit for opposing the American-led humanitarian intervention (UNOSOM) of 1993–95, which culminated in the infamous shooting down of Black Hawk helicopters and the early American withdrawal from the operation. Al-Qaeda operatives were active in Somalia in the early 1990s; the Harmony Project – a US Department of Defense project declassifying selected documents relating to the ‘war on terror’ – reveals their frustration and exasperation at the fractious and clannish nature of Somali society.⁵ In parallel, al-Qaeda was developing an East Africa network that carried out major terror attacks on the US embassies in Nairobi, Kenya and Dar es Salaam, Tanzania in 1998. In the aftermath of these attacks, US investigators discovered that Osama bin Laden had relayed information to the

bombers using a Yemeni intermediary and a telephone message board in Yemen.

The relationship between al-Ittihad and the East Africa al-Qaeda cell remained unclear, but in the aftermath of 9/11, al-Ittihad was placed on the UN list of organizations with links to international terrorism. In Mogadishu the emergence of community-based Sharia courts signalled the growing appeal of Islamism as a foundation for restoring social order. Some key al-Ittihad figures were associated with this and came to the forefront when the Islamic Courts Union (ICU) took control of the capital in June 2006. Bin Laden praised the ICU’s success and warned against any international efforts to remove it. The US government accused the ICU of harbouring international terrorists wanted in connection with the US embassy bombings. Following Ethiopia’s removal of the ICU at the end of 2006, the US carried out its first missile strike in Somalia, directed, unsuccessfully, against these terrorist suspects.

Yemen

Al-Qaeda has enjoyed strong symbolic and practical ties to Yemen since the organization’s inception at the end of the Cold War. Bin Laden, of Yemeni-Syrian descent, has relied on the loyalty and personal service of ethnic Yemenis raised in Saudi Arabia and of Yemeni nationals too. Significant numbers of Yemenis fought Soviet troops in Afghanistan in the 1980s and trained in al-Qaeda camps during the late 1990s. Yemenis constitute the largest ethnic group among those still detained at the US prison camp in Guantánamo.

Yemeni veterans of the Afghan jihad who returned home after the Soviet withdrawal played an important role both in al-Qaeda’s evolution and in the consolidation of the modern Yemeni state. A year before the Black Hawk incident, bin Laden’s associates in Yemen carried out the world’s first attempted al-Qaeda-style bombing against US troops stationed in Aden en route to Somalia. In 1994, Yemen’s Afghan veterans helped President Ali Abdullah Saleh win a civil war against separatists in the south, and many subsequently received government stipends, strengthening ties between the *mujahideen* and senior

⁵ Combating Terrorism Center report *Al Qaeda’s (mis)Adventures in the Horn of Africa*, May 2007, <http://www.ctc.usma.edu/aq/aqll.asp>.

figures in Yemen's security structures.⁶ In 1999, one of bin Laden's childhood friends – known as Khallad – was released from a Yemeni prison in a so-called 'covenant of security' deal that guaranteed bin Laden's men freedom of movement on the condition that al-Qaeda would not target the Yemeni authorities.⁷ On 12 October 2000, 17 US sailors were killed in a suicide bomb attack on the *USS Cole* in Aden harbour.

‘ In the aftermath of 9/11, the Yemeni government made a tactical decision to align itself with the US as a partner in the “war on terror” ’

Yemen was the source of several crucial pieces of information in the hands of US intelligence agents that could have prevented the terrorist attacks on 11 September 2001. The authors of the US 9/11 Commission Report argue that Yemeni nationals would have played a more prominent role in the 2001 attacks if US visa restrictions had not prevented their participation. It was bin Laden's former bodyguard, held in a Yemeni jail, who enabled US investigators to make a positive identification between the 9/11 hijackers and al-Qaeda, and provided information that helped the US military plan the invasion of Afghanistan.

In the aftermath of 9/11, the Yemeni government made a tactical decision to align itself with the US as a partner in the 'war on terror'. The leader of al-Qaeda in Yemen was killed in a US missile strike in 2002, and Yemen's security services subsequently arrested or eliminated the remaining figures in the organization. However, al-Qaeda in Yemen reformed following

a 2006 prison break in which 23 terrorist convicts and suspects escaped. Since 2006, Yemen's jihadi networks have benefited from the migration of Saudi operatives to escape an effective counter-terrorism campaign inside the northern kingdom.

Recent evolution

Somalia: al-Shabaab

Harakat al-Shabaab al-Mujahideen (or al-Shabaab) surfaced as a significant fighting force in Mogadishu after the Ethiopian intervention in 2006. At its core were radicalized young men who had enforced security and strict Islamic codes during the short period of rule by the ICU. Al-Shabaab had some influential sponsors in the Islamic Courts leadership, notably former al-Ittihad leader Hassan Dahir Aweys. Most of al-Shabaab's best known militants, including Ahmed Abdi Godane, Ibrahim Jama al-Afghani, Aden Hashi Ayro and Mukhtaar Robow, received military training in Afghanistan in the late 1990s.⁸ But al-Shabaab was substantially a home-grown organization. Its rapid evolution into a powerful insurgent movement after 2007 was the direct result of the internationalization of the Somali conflict by the Ethiopian intervention, which transformed the internal battle for control of Mogadishu and southern Somalia, leaving the door wide open to international jihadist involvement.

In January 2007 al-Qaeda's second-in-command, Ayman al-Zawahiri, appealed to Muslims everywhere to respond to the call for jihad in Somalia and resist the 'crusader invading Ethiopian force'.⁹ Al-Qaeda's call to arms was repeated in March 2007 when scholar and spokesman Abu Yahia al-Libi encouraged the 'brother *mujahideen*' to expel the occupier and establish an Islamic state in Somalia. By mid-2007, the tactics of warfare developed in Iraq and Afghanistan and advocated by Abu Yahia – 'slam them with one raid after another, set ambushes against them, and shake their soil with land mines and

⁶ *Mujahideen* is the plural form of the Arabic word *mujahid*, meaning 'struggler', 'justice fighter' or 'freedom fighter'. The term is often used to describe volunteers who fought jihad against the pro-Soviet government in Afghanistan during the 1980s.

⁷ Khallad is among five accused co-conspirators whom the US administration wants to bring to trial in New York for their roles in killing 2,752 people on 11 September 2001. 'Accused 9/11 Mastermind to Face Civilian Trial in N.Y.', *New York Times*, 13 November 2009.

⁸ International Crisis Group report *Counter Terrorism in Somalia: Losing Hearts and Minds*, July 2005.

⁹ 'Excerpts: "Al-Qaeda" call to Somalis', BBC News, 5 January 2007, <http://news.bbc.co.uk/1/hi/africa/6233799.stm>. During this time, the discussion about the legitimacy of joining violent jihad in Somalia was debated among Western-born Muslims and converts studying in Yemen's Salafi madrasas.

shake their bases with suicide attacks and car bombs¹⁰ – had become a daily reality in Mogadishu. The reputation of al-Shabaab grew as it successfully portrayed itself as the spearhead of Somali resistance to foreign occupation.

In February 2008 the US government designated al-Shabaab an international terrorist organization. In May 2008 key al-Shabaab militant Aden Hashi Ayro was killed in a US airstrike. The departure of Ethiopian forces from Somalia in January 2009 stripped al-Shabaab of the ‘nationalist’ rationale for attacks on a new transitional government that included many leading figures from the Islamic Courts Union. However al-Shabaab remained determined to dislodge the transitional government and drive out the primarily Ugandan peace support mission – AMISOM – that protects it. There are indications of new stresses within al-Shabaab between those primarily focused on Somali political goals (including establishing an Islamic state) and those inspired by the concept of a global jihad. The latter are perceived as under ‘foreign influence’ and appeared to be losing ground up to the time of the Kampala attack in which over 70 people were killed while watching the 2010 football World Cup final on television.

This was the first al-Shabaab suicide mission to be carried out in a third country and many analysts took it as evidence of a deepening internationalization of the organization and its goals. However, the targeting of civilians in Uganda was ostensibly in retaliation for the Ugandan military role in AMISOM and suggests that al-Shabaab is still primarily operating in pursuit of regional rather than wider international objectives.

Yemen: AQAP

Al-Qaeda in the Arabian Peninsula is a transnational al-Qaeda affiliate with dual nationality leadership, formed in 2009 after a merger between groups in Yemen and Saudi Arabia. Its leader Nasser al-Wuhayshi is a Yemeni, while his deputy, Said al-Shihri, is a Saudi national, former Guantánamo detainee and graduate of Saudi Arabia’s flagship rehabilita-

tion programme for former jihadists. Al-Wuhayshi served bin Laden in Afghanistan and in 2001 al-Shihri was captured on the Pakistan border with Afghanistan. In 2010, the US government designated AQAP a foreign terrorist organization and imposed sanctions against both men.

AQAP’s online magazine, *Sada al-Malahim* (the Echo of Battles), communicates the organization’s aims and grievances.¹¹ In line with al-Qaeda’s standard international narrative, AQAP aims for the creation of an Islamic caliphate and exhorts attacks on Western interests, including the oil industry. Although AQAP is based in Yemen, the group has a transnational agenda that reflects the composition of its leadership. In 2009, it tried to assassinate a senior Saudi prince in Riyadh, and al-Shihri has urged Saudi cells to kidnap members of the Saudi royal family, as well as Christians living in the kingdom. AQAP also targets Yemen’s security services, as a result of the alleged torture of its members in detention.

AQAP tries to link widespread anti-American sentiment in Yemen with opposition to the domestic regime by tapping into public perceptions of elite corruption, militarism and the concentration of power. At times, President Saleh has alleged that AQAP supports Yemen’s Houthi insurgents, who belong to a unique local branch of Shi’a Islam, as well as the southern separatists, who consider the president’s northern clan to be running the country in its own interests. However, all three rebellions against President Saleh’s authority are rooted in different histories; they are framed by distinct identities and reflect contrasting notions of an ideal, reformed state. They present themselves as social justice movements, arguing that President Saleh’s regime is simultaneously sustained and discredited by opportunist military alliances with Riyadh and Washington.

Involvement of Western nationals

Somalia

Al-Shabaab’s jihadism had a significant appeal for some young Somalis living abroad and resulted in

10 A video posted on 25 March 2007 on a website commonly used by Islamist militants showed a new video statement from Abu Yahia al-Libi, an al-Qaeda militant. Its authenticity could not be independently verified, but it carried the logo of al-Qaeda’s media production wing, al-Sahab. The video was also released by IntelCenter, a US government contractor that monitors al-Qaeda messaging.

11 The official blog of AQAP’s media wing, with all the issues of *Sada al-Malahim*, can be found at <http://malahem.maktoobblog.com/>.

their recruitment for terror attacks on Somali territory. In late 2008 suicide truck bombings in Hargeisa and Bosasso in northern Somalia employed recruits from the diaspora, including the first known American suicide bomber, a young Somali-American from Minnesota. Al-Shabaab was also linked to another suicide bombing, carried out by a Danish Somali at a graduation ceremony in Mogadishu in December 2009. These incidents provoked considerable local hostility towards al-Shabaab and its diaspora recruits but the suicide attacks have continued. The two most recent cases were against politicians in Mogadishu associated with the transitional government.

Investigations in the United States have revealed that American citizens had been recruited by al-Shabaab and by November 2009 US authorities had implicated 14 young Somali-Americans in the case, the largest group of American citizens suspected of joining an al-Qaeda-affiliated organization.¹² In August 2010 they were charged with providing material support to al-Shabaab. Since 2009 al-Shabaab's recruitment videos had showcased Omar Hammimi, an American of Syrian descent also going by the name of Sheikh Abu Mansoor al-Amriki, training recruits inside Somalia and glorifying jihadists killed in Somalia.¹³ In June 2010, two more Americans were arrested in New Jersey, apparently as they were heading to join al-Shabaab's jihad.¹⁴ Another arrest was made in July. The Australian and Swedish authorities also arrested people associated with al-Shabaab. The United Kingdom and Canada have joined the United States in proscribing the organization under their existing terrorism laws.

Yemen

Every year, Yemen's reputation for pious religious observance attracts hundreds of Muslim students, including US and European nationals, who wish to improve their Arabic

and deepen their understanding of the Qur'an. Many choose to study in Sufi institutions but some are drawn to a small network of Saudi-sponsored Salafi religious institutes. Within this network, it is possible for motivated individuals to make connections that will enable them to travel to AQAP training camps.¹⁵ During 2010, the Yemeni authorities arrested a number of Western nationals suspected of sympathy for violent extremism and introduced tighter visa controls for foreign students.

Growing concern about the process of radicalization in Yemen is amplified by the influence of Anwar al-Awlaki, an American-born Yemeni cleric who preached in several mosques in the United States before settling in his father's homeland. A skilful propagandist, al-Awlaki is credited with enabling AQAP to 'go global' by mentoring the perpetrator of a fatal 2009 shooting in Texas, in which 12 US soldiers and a civilian died, as well as mentoring the Christmas Day bomber. In April 2010, US officials admitted that al-Awlaki had been placed on a controversial hit-list authorizing his targeted killing – a decision that two American civil liberties groups are now seeking to reverse. In July, US officials placed al-Awlaki's name on the sanctions list. His continuing presence in Yemen is seen as a likely 'pull factor' that will continue to draw disaffected Western Muslims to Yemen, but his articles, MP3 files and videos are readily available online to an international audience. Al-Awlaki also features in AQAP's new online English-language publication, *Inspire*, which is allegedly edited by a fellow US national living in Yemen.¹⁶

Links between AQAP and al-Shabaab

In February 2010, al-Shabaab's leadership made an explicit and direct statement of support for al-Qaeda's international jihad.¹⁷ Some analysts interpreted this as a threshold moment that indicated al-Shabaab was aligning itself more closely with al-Qaeda's strategic global objectives in order to secure global financing, training and foreign fighters.

¹² *New York Times* topics; updated 24 March 2010, accessed 16 June 2010.

¹³ 'The Jihadist next door', *New York Times Magazine*, 27 January 2010.

¹⁴ 'Arrested men attended protests organized by radical Islamic group', *CNN online*, 16 June 2010.

¹⁵ Ginny Hill, private interview, March 2010.

¹⁶ <http://publicintelligence.net/complete-inspire-al-qaeda-in-the-arabian-peninsula-aqap-magazine/>.

¹⁷ Al-Qaeda did not respond to al-Shabaab's announcement and has not yet officially endorsed al-Shabaab. 'Somali Islamists "join al-Qaeda"', *BBC Online*, 1 February 2010.

There were signs of media cooperation too as al-Shabaab started to make use of al-Awlaki's statements on its own outlets. Three months later, Yemeni media reported that AQAP's leadership and up to 20 operatives had temporarily relocated to Somalia to escape tightening security restrictions in Yemen.¹⁸ This claim remains unsubstantiated.

Despite the recent rhetoric and speculation, the precise nature of the relationship between terrorist networks in Somalia and Yemen remains unclear. Al-Shabaab's links with al-Qaeda predate any emerging ties to AQAP. In this sense, al-Shabaab's pledge of support for AQAP builds on a pre-existing pattern of association between Somali fighters and international jihadists.¹⁹ At the tactical level, al-Shabaab has been using improvised explosive devices (IEDs) – familiar from Iraq and Afghanistan – since 2007, whereas AQAP has yet to use them.²⁰ Indeed al-Shabaab fighters have had considerably more battlefield experience than their Yemeni counterparts in the last three years.

The February 2010 statement has nonetheless helped to focus attention on the nexus between Somalia and Yemen, partly by virtue of geographical proximity. There are conflicting claims about the prominence of Yemenis among the range of foreign fighters that al-Shabaab is reputed to host. US officials have recently voiced concern at the involvement of individuals of South Asian and Chechen rather than Yemeni origin in the Somali conflict, but allegations that Yemeni fighters have joined the Somali conflict date back several years.²¹ 'Al-Shabaab are getting financial support and weapons from Yemen but it's difficult to say exactly how much help they give each other,' argues one eyewitness who has visited al-Shabaab training camps in Somalia. While there is assumed to be some training and exchange of information between the two organizations,

there is currently little evidence of joint command and control, or any apparent strategy for joint operations.²²

Interest in Western security circles has turned towards the potential transit of jihadists using established migration routes between the Horn of Africa and the Arabian Peninsula, as well as the presence of sizeable Somali communities in Yemen. While acknowledging the risk of aggregation between regional al-Qaeda affiliates, neither open-source material nor anecdotal information bears out the proposition that violent extremists are using migration networks to move between the two continents, or that AQAP is recruiting from among Somali nationals resident in Yemen. On the contrary, the energies of rank-and-file al-Shabaab fighters are needed to pursue the conflict inside Somalia. Somali men interviewed on Yemen's coastline in spring 2010 claimed to be fleeing forced recruitment by al-Shabaab, rather than having fought for them.²³ The real significance of 'mixed migration'²⁴ in the Gulf of Aden lies in the unregulated profit it generates for its operators and its place within an integrated set of semi-criminal trading networks, raising a distinct set of challenges for Western policy-makers pursuing enhanced regional security.

Shadow networks

Migration and people smuggling

Migration routes have flourished in the Gulf of Aden for decades, and have been encouraged by Yemen's decision to grant *prima facie* refugee status to Somalis in 1991, following the outbreak of the civil war in Somalia. The majority of Somalis are fleeing heavy fighting and food shortages in Mogadishu and surrounding areas, and their presence in Yemen is sanctioned under international instruments.²⁵ According to the Office of the United

18 'Al-Qaeda's leadership moves to Somalia', *Yemen Observer*, 6 April 2010.

19 Osama bin Laden has shown active interest in Somalia since at least 1992. He was, in that period, living in Sudan and active in galvanizing radicals across the Horn of Africa.

20 Car bombs were introduced in both countries in 2006, and pedestrian suicide bombers were used for the first time in both Yemen and Somalia in 2009.

21 Interview with US Assistant Secretary of State Jonnie Carson, BBC World Service, 16 May 2009, http://www.bbc.co.uk/worldservice/africa/2009/05/090516_somalia-us.shtml.

22 Ginny Hill, private interview with Western diplomatic security source, April 2010.

23 Ginny Hill's interviews, Bab al-Mandab, April 2010. Previous intelligence-based warnings about the transit of Somali radicals to Yemen following the fall of the UIC in 2006, and about the influx of fighters from Pakistan in 2009, have not yet been borne out by open-source material.

24 The International Organization for Migration defines mixed migration as: 'Complex population movements including refugees, asylum seekers, economic migrants and other migrants'. *Glossary on Migration* (Geneva: IOM, 2004), www.iom.int.

25 Yemen is alone in the region in having signed the UN 1951 Convention relating to the Status of Refugees and its 1967 Protocol.

Nations High Commissioner for Refugees (UNHCR), Yemen hosts 170,000 registered refugees but Yemeni sources claim the true figure of Somalis and Ethiopian migrants in the country is closer to one million.

The UNHCR currently oversees the initial registration process at the coast, in partnership with the Danish Refugee Council and the Yemeni Red Crescent. Paperwork issued at the coastal reception centres is only temporary, requiring the recipients to visit the UNHCR's urban registration centres to receive ID cards within three months. Less than 10 per cent of registered Somalis are housed at Kharaz refugee camp, located in a semi-desert area 100 miles west of Aden, where tensions occasionally flare with the local tribes; the majority of Somalis fend for themselves in larger cities. In general, relations between Yemenis and Somalis in urban areas are not prone to conflict, despite the growing number of new arrivals: official registration figures rose from 23,000 in 2006 to 77,802 in 2009.

Towards the end of 2009, two factors combined to disrupt the growing trend in mixed migration. To the north, Saudi Arabia deployed troops to the Yemeni border to help the Yemeni government quash a local insurgency by Houthi rebels that was threatening to spill into Saudi Arabia. For many refugees and economic migrants from the Horn of Africa, Yemen is simply a transit country, hosting efficient trafficking networks into Saudi Arabia. The temporary closure of the Saudi border created a spike in the number of Somalis waiting for onward transit from Yemen and disrupted the established smuggling chain all the way back to the starting point in Somalia. To the south, in Somalia's semi-autonomous northeastern region of Puntland, the fulfilment of a campaign pledge by newly elected president Abdirahman Farole to crack down on people-smuggling reduced activity on the well-used but dangerous route from Bosasso port to Yemen's southern coastline.

The majority of migrants are now using a shorter and safer route between Obock in Djibouti and Yemen's Bab al-Mandab, which takes several hours by small motor-boat. Seas are calmer and conditions are significantly better than on the two- or three-day journey from Bosasso

in overcrowded fishing dhows. The Obock boats land at beaches close to Kharaz refugee camp, enabling swifter and more effective registration and transit for Somalis. In spring 2010, in parallel with this shifting migration pattern, the proportion of Ethiopian passengers had risen to nearly three-quarters of all new arrivals. Ethiopians do not receive automatic refugee status in Yemen and only a small percentage registers and applies for asylum on arrival; most are deterred by the likelihood of detention and deportation.²⁶ The majority of Ethiopians are swiftly smuggled along a 250-mile trucking route from Bab al-Mandab to the Saudi border, with tolerance and oversight – if not complicity – on the part of Yemeni security forces.

‘ This “migration economy” constitutes a lucrative regional network that acts as a powerful disincentive to formally regulated border controls ’

While Yemen claims to want to improve its border controls, and has strong encouragement to do so from its Western allies, it finds itself positioned as the middle link in a chain of profit accruing to traffickers in at least five countries: Somalia, Ethiopia, Djibouti, Yemen and Saudi Arabia. Sea passage currently costs up to \$150 but refugees and migrants must in addition pay up to \$150 for their land journey to the departure port and to cross the Saudi border.²⁷ On the basis of the UN's 2009 figure of 77,802 registered arrivals, gross annual regional turnover could run to \$20 million – or even higher, given that many migrants will not register on arrival in Yemen. Families will often pool their resources to send a single member on the journey and may also rely on overseas remittances to cover the cost.

This ‘migration economy’ constitutes a lucrative regional network that acts as a powerful disincentive to

26 See Human Rights Watch report *Hostile Shores: Abuse and Refoulement of Asylum Seekers and Refugees in Yemen*, December 2009.

27 Refugees from south-central Somalia travel north by road from Mogadishu to Garowe and west to Hargeisa and Obock.

formally regulated border controls of the kind that would enhance regional security. Its existence also raises questions about the extent of corruption within the security services in the five countries involved. More broadly, it highlights the problems involved in strengthening institutions when the legitimacy and competency of the state itself are disputed. In Yemen, trafficking networks operate in areas where state control is already contested by a range of local actors, such as southern separatists, local tribes, AQAP and Houthi insurgents in Sa'dah. In Somalia, there is no central authority to maintain state security. Localized authority exists in Somaliland – a self-declared but unrecognized republic in northwest Somalia – and in Puntland, but in the latter it is highly susceptible to financial inducements and the region is said to be inching towards the status of a criminal state.²⁸

Regional arms trade

Migration networks in the Gulf of Aden run north–south across one of the world's busiest commercial shipping routes, linking Asia and the Persian Gulf to Europe and North America. Trans-shipment hubs in Aden and Djibouti City handle large volumes of international container traffic, while smaller ports in al-Hudaydah, Mocha, al-Mukalla, Berbera and Bosasso cater to local traders, shipping fish, livestock and charcoal. Smugglers also manage regional distribution networks for drugs, weapons and Yemen's state-subsidized petrol products, which are sold at international market prices for a substantial profit. In recent years, Somali piracy – more precisely hostage-taking at sea – has offered another lucrative revenue stream.

Yemen's role as the source of a significant number of arms in circulation in Somalia has been well documented since the inception of the UN monitoring group on the arms embargo to Somalia in 2003.²⁹ In 2008, the monitoring group noted: 'Commercial imports, mainly from

Yemen, remain the most consistent source of ammunition and military *matériel* to Somalia.' The group concluded that Yemen's inability 'to stem the flow of weapons across the Gulf of Aden has long been, and is likely to remain, a key obstacle to the restoration of peace and security to Somalia'.³⁰

Yemen's government has consistently denied involvement in the regional arms market and Yemeni curbs on domestic arms sales, including buyback schemes and controls on bearing weapons, have at times reduced the volume of exports to Somalia. However, the arms trade poses a profitable commercial opportunity and, after nearly two decades of civil war in Somalia, brokers throughout the region have established mature smuggling networks. Although Yemeni traders (unlike state-sponsored suppliers in Ethiopia and Eritrea) are not trying to influence the outcome of the Somali conflict, arms flows from Yemen perpetuate the fighting. In turn, Somalia's prolonged civil war has driven large numbers of migrants to Yemen, reinforcing the problem of border controls and good governance in the security sector.

A partial solution may lie in closer monitoring of regional money transfers. In April, US Treasury officials imposed sanctions on nearly a dozen individuals involved in Somali piracy or supplying arms in violation of the UN arms embargo.³¹ Among them was Yemeni arms dealer Faris Mana'a, whose family controls Yemen's main arms *souq* in the north of the country. He had previously been appointed chairman of a mediation committee tasked with halting the northern insurgency but he was blacklisted and jailed in a surprise move by the Yemeni authorities in 2010. He was released in June.³² Another subject of the asset freeze was Mohamed Said 'Atom', who operates in northern Somalia in disputed territory on the borders of Somaliland and Puntland. Atom has been accused of importing arms from Eritrea for use by al-Shabaab in the south of Somalia.

28 Report of the UN Monitoring Group on Somalia pursuant to SCR 1853 (2008), 10 March 2010, S/2010/91, p. 39.

29 United Nations Press Release SC/7957 regarding UN Security Council Resolution 1519, 16 December 2003. The UN monitoring group was established in 2003, following revelations that surface-to-air missiles used in a 2002 terror attack in Kenya were shipped through Somalia from Yemen. The attack involved the bombing of a hotel and an attempted attack on a flight from Kenya bound for Israel.

30 Report of the UN Monitoring Group on Somalia pursuant to SCR 751 (1992), 10 December 2008, S/2008/769.

31 'Obama addresses deteriorating Somalia security', Associated Press, 13 April 2010.

32 'World's third largest weapon dealer establishes National Peace Conference', *Yemen Observer*, 9 August 2010.

The UN monitoring group has repeatedly flagged up links between piracy, arms-smuggling and people-smuggling but much greater detail is required to build an accurate map of local and regional business alliances.

Piracy and the coastguard

Piracy off the coast of Somalia has attracted massive international attention in recent years, and now constitutes an industry worth tens if not hundreds of millions of dollars in annual ransom payments. In 2008 a transit corridor was established in the Gulf of Aden, patrolled by international naval forces. Somali pirates, however, have adapted accordingly. While ships are becoming harder to capture, pirates are using more violent tactics, and attack patterns are shifting across a wider area, including the Indian Ocean and the Red Sea. The various international task forces operate in the Maritime Security Patrol Area, located between Yemeni and Somali territorial waters. However, these task forces have a specific counter-piracy mandate and are not tasked with stopping smuggling or enforcing the UN arms embargo to Somalia. In an attempt to improve shoreline security, Western donors are funding and training coastguard teams in Yemen but deep-water cooperation requires a capacity-building programme with Yemen's navy, which is currently lacking.

Yemen's coastguard is trained in port security, counter-smuggling and counter-terrorism measures, as well as protection issues relating to the rescue of migrants at sea. In general, the coastguard is well regarded by Western governments but many recognize that it cannot function properly in the absence of an effective customs framework. Some Western diplomats also acknowledge that Yemen's coastguard cannot go too far with counter-smuggling work without impinging on powerful vested interests, who do not wish to see their profit streams disturbed.³³

In addition, Yemen's coastguard (which falls under the Ministry of the Interior) and navy (which comes under the Ministry of Defence) are prone to institutional rivalry. The coastguard is increasingly funded by Western donors

and many of its staff have studied abroad or received instruction from international training teams, while the navy – which currently has all the deep-water ships – has not had comparable exposure to Western training measures. Cooperation between the navy and coastguard at the local level is hampered by the requirement for all communications between the two institutions to be referred through Sana'a.³⁴

The coastguard's operational capacity was restricted by a dramatic budget cut in 2009, in response to Yemen's escalating financial crisis, which severely limits its capacity – to the extent that it sometimes cannot afford to buy fuel. Yemen's Ministry of Transport offers a licensed armed escort service to ships travelling through Yemeni territorial waters, staffed by navy and coastguard personnel, in partnership with well-connected private military security companies. The business is legal but the profits are not being recycled into the coastguard, despite drawing on the coastguard's human resources.³⁵

Since 2005, Somaliland's Ministry of Interior has developed a modest coastguard capability that includes a series of manned observatories reporting suspicious activity along the 850km coastline.³⁶ International efforts to build the capacity of Somaliland's coastguard are hampered by Somaliland's unrecognized status. The Puntland authorities have occasionally taken action to free ships captured by pirates, but this has generally been motivated by local patronage politics and restricted to rescuing ships or cargoes connected in some way to ministers.

State-building and counter-terrorism

The policy toolkit

Since 9/11 there has been a convergence of approach between international security and development practitioners based on the concept of fragile states. From an international security perspective, countries with weak governments that are not in full control of their territory are seen as posing a risk as potential havens for terrorists. For many security analysts, state failure is deemed to be infec-

33 Ginny Hill, private interview 2010, with Western diplomatic security source.

34 Ginny Hill, private interview 2010, with a Western diplomat.

35 Ginny Hill, private interview 2010, with Western diplomatic security source.

36 Report of the UN Monitoring Group on Somalia pursuant to SCR 1853 (2008), 10 March 2010, S/2010/91, p. 39.

tious at the regional level. Development theorists approach the same problem from a different angle: the current orthodoxy is that development works best in a ‘capable state’ where government has sufficient control over the population to implement development policies as well as the capacity to account for donor funds. Strengthening fragile states can therefore kill two birds with one stone: enhancing regional and international security while working for the attainment of the UN Millennium Development Goals. This approach has resulted in a narrowing of space between security and development agendas.

The juxtaposition of Somalia and Yemen, and their common state of fragility, lies at the heart of emerging security concerns about aggregated regional risks. In 2009, CIA Director Leon Panetta said: ‘Somalia is a failed state. Yemen is almost there. And our concern is that both could become safe havens for al-Qaeda.’³⁷ The 2010 Failed State Index ranks Somalia in first position and Yemen at 15, topping the list of Middle East countries.³⁸ Common features are their weak governments, ‘ungoverned spaces’, the presence of trained militants including veterans of Afghanistan and Iraq, and the easy availability of weapons. In both cases, there are questions over the commitment or capacity of the authorities to engage in counter-terrorism operations as allies – or proxies – of Western governments.

For Western policy-makers, a ‘state-building’ approach provides the framework for engagement in both Yemen and Somalia. The Friends of Yemen – an informal contact group of more than 20 donor countries – has initiated a comprehensive diplomatic process that intends to tackle development, state-building and counter-terrorism together.³⁹ It is pledging to help strengthen the country’s law-enforcement capacity and border security, while calling for extensive macro-economic reforms and efforts to improve political inclusion. Paradoxically, strengthening governance in this way requires the consent of

Yemen’s power elite, while simultaneously threatening their current operating model by devolving their collective advantage to the benefit of state institutions.

In Somalia, where the state has effectively collapsed, implementation of the state-building approach is far more problematic. Since the Ethiopian army’s removal of the Islamic Courts at the end of 2006, the international community has collectively contrived to breathe life, legitimacy and capacity into the TFG to enable it to withstand the Islamist militants who oppose it. But no amount of international support can compensate for the TFG’s lack of internal legitimacy. A key shortcoming in the solution envisaged for Somalia is the widespread existence of what one leading authority has called governance without government.⁴⁰ Many of the ‘ungoverned spaces’ that the TFG is theoretically expected to govern already possess stable forms of local government, painstakingly built up through reconciliation among the clans.

Security interventions

For the Obama administration, stabilization lies at the heart of the US approach to the region. US officials readily acknowledge that their interest in the two countries’ stability is based on counter-terrorism. They argue, however, that this does not conflict with Somali or Yemeni interests: looking at the terrorist threat in isolation is no longer an option. A key short-term goal in Somalia is an environment that is less hospitable for al-Shabaab.⁴¹ In Yemen, the Obama administration’s interest in promoting stability revolves around the desire to curtail AQAP’s current activities and mitigate the expected slide towards state failure, based on the reasoning that the unfolding economic crisis will amount to diminished state control, giving AQAP greater room for manoeuvre. This scenario assumes that Yemen’s tribes will continue to give AQAP safe haven, if the central state shrinks further. However,

37 US Committee on Foreign Relations, *Al Qaeda in Yemen and Somalia*, p. 10.

38 http://www.foreignpolicy.com/articles/2010/06/21/2010_failed_states_index_interactive_map_and_rankings.

39 The Friends of Yemen contact group was established in London in January 2010 at a high-level meeting attended by US Secretary of State Hillary Clinton, British Foreign Minister David Miliband and Yemeni Foreign Minister Abu Bakr al-Qirbi.

40 Ken Menkhaus, ‘Governance without Government in Somalia: Spoilers, State Building and the Politics of Coping’, *International Security*, Vol. 31, No. 3 (Winter 2006/7), pp. 74–106.

41 The case for such an approach is made by Bronwyn E. Bruton in *Somalia: A New Approach*, Council Special Report No. 52 (New York: Council on Foreign Relations, Center for Preventative Action, March 2010), p. 25.

experience from Somalia, where legitimate local authorities have demonstrated the capacity to resist violent jihadism, challenges this assumption.

Security-sector reform and assistance are key components of state-building. The danger is that external efforts in this area dwarf the other necessary components of a comprehensive approach in ways that seem self-serving, because they prioritize Western security concerns at the expense of local expectations of legitimacy. The Obama administration has ruled out sending regular troops to Yemen and Somalia. But in Yemen, Washington is arming, training and funding local proxies to carry out its counter-terrorism objectives.⁴² During the past year, US military teams have shared intelligence and conducted secret joint operations with Yemeni troops, using cruise missiles against suspected terrorists.⁴³ In May 2010, a missile strike mistakenly killed a prominent local official who was known to be mediating between the government and al-Qaeda; the local tribes responded by cutting off oil pipelines, attacking the electricity infrastructure and blocking main roads running to the capital. In recent months, the CIA has signalled that the threat posed by AQAP necessitates an expansion of targeted killings, modelled on the campaign in Pakistan.⁴⁴

In Somalia, the limited capacity and reach of the TFG has prevented anything resembling formal cooperation on this scale, but lower-level interventions in the security sector have met with limited success.⁴⁵ A notable obstacle to building Somali government security is the tendency of senior officials to take their forces with them if they leave office. By some estimates, the number of armed militias outside the TFG fold but not allied to al-Shabaab probably exceeds the national forces that foreign governments have been training.⁴⁶

Without genuine public confidence in the TFG, Somalis recruited and trained as TFG soldiers have demonstrated

no loyalty to their paymasters and there is growing evidence that they are turning themselves and their weapons over to al-Shabaab. This illustrates the risks attached to strengthening security institutions that are unaccountable or lacking in legitimacy. Similarly, certain sections of the Yemeni population perceive the Yemeni security services as intrusive political and economic actors who threaten their livelihoods and well-being. Security assistance in fragile states does not contribute to stability if the public fears the military and does not want it strengthened.

As in Yemen, the Obama administration also pursues targeted killings. The local impact of such attacks can vary. The most recent strike inside Somalia (in November 2009) successfully targeted an East African al-Qaeda operative, Ali Sabah Nabhan, and caused very little local reaction. The previous strike, in May 2008, killing Aden Hashi Ayro, had significant negative consequences for the humanitarian community working in Somalia and resulted in a wave of killings of Somali staff working for international NGOs.

Western military strategists confront the hazard of classifying – and quantifying – ‘terrorist’ or ‘violent extremist’ within a rapidly changing political context. Yemen and Somalia are both societies in flux, within which people display an ability to manage multiple allegiances. An individual’s affiliation to a terrorist network may be expedient and redefined in relation to other allegiances, including family, sub-clan, tribe and business interests, or even state-sponsored patronage. The ability to differentiate effectively between these shifting and often competing identities is a key requirement if targeted killings and missile strikes are to achieve any success.

Furthermore, in Yemen, the traditional social contract between tribesmen and their sheikhs has been weakened by President’s Saleh’s long-standing practice of co-opting

42 The US Defense Department’s 1206 of the National Defense Authorization Act (NDAA) ‘train and equip’ fund has become the major source of overt US military aid to Yemen. By mid-2010, Yemen was the largest global 1206 recipient, receiving a \$252.6 million package that aims to boost the capacities of Yemen’s air force, special operations units, border control monitoring and coastguard forces. See Jeremy M. Sharp report on ‘Yemen: Background and U.S. Relations’, Congressional Research Service, 28 July 2010.

43 ‘US military teams, intelligence deeply involved in aiding Yemen on strikes’, *Washington Post*, 27 January 2010, ‘Secret assault on terrorism widens on two continents’, *New York Times*, 14 August 2010.

44 ‘US weighs expanded strikes in Yemen’, *Wall Street Journal*, 25 August 2010.

45 In 2009, the US sent an emergency shipment of weapons and ammunition to the TFG, and committed \$10 million for security-sector support.

46 Comment by Dr Andre Le Sage, Institute for National Strategic Studies, US National Defense University, 9 June 2010.

local leaders who maintain a fluid network of domestic and regional patronage relationships that they try to play to their best advantage. In Somalia, the clan structure has been transformed by two decades of civil war, but the population still responds with hostility to what it perceives as external attack. In both contexts, al-Qaeda is skilfully appealing to local grievances by developing a grassroots narrative around notions of injustice. This enables it to build alliances with disaffected tribesmen and traditional elders, and undermine loyalties to central government by playing on Western military alliances with the TFG in Mogadishu and President Saleh's regime in Sana'a.

Towards an alternative approach

The use of crude policy blueprints can lead to perverse consequences, among them hostile perceptions of Western policy. Somalia provides a salutary example of foreign intervention stoking the fires of radicalism, while Western assistance to the TFG appears to be undermining its public support. Some analysts now argue that US involvement in Somalia is destabilizing in itself and that more could be achieved through a policy of 'constructive disengagement'.⁴⁷ In Yemen, further kinetic US intervention risks polarizing public opinion and could heighten instability by driving a wedge between President Saleh and the tribes, while playing into the hands of AQAP.

Donors have little to show for their state-building efforts because their policy template does not fit with the local realities, in which power is only partially structured through government ministries, if at all. In Somalia, for example, real power remains diffused among a host of local actors, with overlapping boundaries among clans, business people, Islamists of different hues and a sizeable overseas diaspora. The TFG has no impact on this constellation of forces. In Yemen, where the central state still functions, a considerable degree of power is brokered through informal patronage networks. Improved political economy analysis is essential to understand the positive and negative impact of Western policies in the region.

The way in which the international community has conceived the risks in Somalia and Yemen and defined the solutions has therefore become part of the problem. A different kind of analysis is needed to inform more effective and appropriate solutions. In both countries the idea of 'ungoverned space' completely fails to capture the nature of locally mediated power. This misconception gives rise to the false assumption that any highly decentralized power structures will automatically produce safe havens for terrorists. But it can be argued, on the contrary, that a fragmented Somalia under multiple administrations represents one of the most inhospitable environments for international jihadism.

‘The way in which the international community has conceived the risks in Somalia and Yemen and defined the solutions has become part of the problem’

Western donors recognize that local power structures are operationally relevant at the grassroots, and resilience to extremism can be built from the grassroots up, but encouraging this process without fundamentally distorting it poses a significant challenge. Meanwhile, radicalization is spreading not only within these countries but also among the far-flung diaspora of Yemenis and Somalis, and among individuals within the global community of Muslims who have never visited these countries but are nevertheless affected by web-based propaganda emanating from these places.⁴⁸ Efforts to address radicalization cannot plausibly succeed through containment strategies confined to Yemen and Somalia.

⁴⁷ Bruton, *Somalia: A New Approach*, p. 19.

⁴⁸ Faisal Shahzad, the Pakistani-American man accused of trying to detonate a car bomb in Times Square in May 2010, told US investigators that he drew inspiration from Anwar al-Awlaki.

Attempts to achieve stabilization by building a state-level security apparatus are demonstrably failing in Somalia and are unlikely to fare better in Yemen, because they are often perceived by the local population as a form of aggression. The critical ingredients missing from external efforts to build state security are political legitimacy and systems of accountability. Despite the dangers associated with state fragility, there is a need in both Yemen and Somalia to look beyond short-term security fixes: instead of more military training or more missile strikes, there need to be new political configurations that can support networks of resistance to terrorism. Efforts directed towards genuine reconciliation and political inclusion have a better chance of success than attempts to impose a new state system from above or to shore up failing institutions. They can also provide a viable foundation for stability and successful institution building over the long term.

There is in addition new interest in models of radical decentralization employed in development that use private-sector collaboration for public-service delivery.⁴⁹

New policy instruments are being developed, including targeted sanctions and asset freezing under UNSCR 1844. The criteria set out in the resolution have allowed sanctions to be imposed on individuals involved in piracy, arms trading and terrorism, including al-Shabaab itself.⁵⁰ Legislation has already been passed in the United States and signals higher-level senior administration attention to the problem of terrorists in Somalia.⁵¹ Regulations were

agreed by the European Council in April and measures will be implemented in each EU member state. But there are considerable hurdles to implementing these sanctions, particularly when financial transactions are conducted through the *Hawala* system, an informal network of money-brokers located primarily in Somalia and the Middle East. However, if deployed successfully, this approach could act as a powerful tool to target the nexus of power and profit that underpins regional shadow networks operating between Yemen and the Horn of Africa.

International policy-makers should continue to look at weak and failed states in their regional setting. Powerful neighbours need to be part of a dialogue about managing the consequences of state fragility. In Yemen's case, this means working with the member states of the Gulf Cooperation Council and other Arab donors involved in the Friends of Yemen. For Somalia, it means working with the Intergovernmental Authority for Development (IGAD) and the African Union-led peace support operation. Neighbours can play a critical part in facilitating or resolving conflict and the policy instruments that are now being developed internationally will be far more effective in Somalia and Yemen if they receive backing from within the region. A regional strategic approach, overcoming a bureaucratic tendency for governments to handle Yemen and Somalia in different departments, is required in order to effectively address terrorism, trafficking, piracy and transnational criminal networks.

49 Comments made during a conference held at the Institute for National Strategic Studies, National Defense University, 9 June 2010 on 'Somalia: Future Scenarios and Options for US Engagement'.

50 UN sanctions are imposed for undermining peace, security and the delivery of humanitarian assistance in Somalia. They may be applied against individuals and entities who meet three criteria set out in the resolution, namely:

- (a) as engaging in or providing support for acts that threaten the peace, security or stability of Somalia, including acts that threaten the Djibouti Agreement of 18 August 2008 or the political process, or threaten the TFIs or AMISOM by force;
- (b) as having acted in violation of the general and complete arms embargo; or
- (c) as obstructing the delivery of humanitarian assistance to Somalia, or access to, or distribution of, humanitarian assistance in Somalia.

51 President Obama's Executive Order concerning Somalia, 13 April 2010.

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