

Causes of the Crisis: Yemen's Humanitarian Struggle, Economic Disaster and Corruption Catastrophe

RETHINKING **SECURITY** IN THE 2020s SERIES – POLICY BRIEF

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1. INTRODUCTION

The weaponization of humanitarian aid has been well publicized over past years, with emphasis on the severity of Yemen's crisis as the worst humanitarian situation in the world. The statistics are staggering, yet the numbers seem to be almost numbing, to the point where they have become obsolete rather than exemplary of the dire situation. Yemenis continue to suffer in direct effect from the conflict, but rather than blaming the Houthi rebels, the Yemeni government, or the international institutions for the failing to provide for the population, there needs to be further analysis into the impact of the conflict on the humanitarian situation. Simply, reading the statistics of the dire humanitarian situation in Yemen has not been a call to action.

Aid organizations and international organizations have failed to commit to their donations in recent years. The United Nations noted that in 2019 the international community donated \$3.6 billion of the requested \$4.2 billion, nearly reaching the funding goals, considering that the amount of people reached by international aid

organizations in 2019 was roughly 15 million per month.¹ There was a sharp decline in funding for 2020 when the UN received less than 40 percent of their goal, with only \$1.3 billion donated from the international community.² However, there are discrepancies as the total amount requested for 2020 from the United Nations was \$2.4 billion.³ As the country spiraled into further conflict, consumed by the worst humanitarian crisis which was further exacerbated by the COVID-19 pandemic, there were more people in need of aid than at any other point in the Yemen conflict. This begs the questions: Why were aid efforts drastically underfunded in 2020? Why was the overall amount requested significantly less than 2019, when the conflict worsened the humanitarian situation in 2020? Where is the money going? And what is being done in a broader sense to address the needs of Yemenis and improve the economic conditions?

2. DRIVING YEMEN'S HUMANITARIAN CRISIS

The Yemen crisis has extended beyond the possibility of any international institutions ability to fully assist all the civilians in need. As aid efforts struggle to gain traction and fulfill their funding goals, which are further worsened by the economic downturn that Yemen is facing, the humanitarian crisis is only worsening as the conflict rages on throughout the country. The declining value of the Yemeni rial has resulted in a dramatic increase in the price of basic commodities, which cyclically increases the reliance on aid.⁴ Without addressing the underlying economic conditions of the country, millions of Yemenis will remain reliant on international assistance for aid, aid that thus far has been under funded for both 2020 and the beginning of 2021.

Who is to blame for the economic crisis? The Hadi government, and Yemen more broadly, have both struggled economically for years, but the conflict has undoubtedly exacerbated these conditions. However, when looking to blame a

¹ <https://www.thenewhumanitarian.org/analysis/2020/10/07/Yemen-humanitarian-crisis-funding-fuel-famine>;
<https://www.un.org/press/en/2019/sgsm19477.doc.htm#:~:text=The%202019%20Humanitarian%20Response%20Plan,million%20people%20across%20the%20country.&text=Over%20the%20course%20of%20the,all%20of%20Yemen's%2033%20governorates>.

² <https://www.reuters.com/article/us-yemen-security-aid-idUSKBN2AE0J1>

³ <https://news.un.org/en/story/2020/05/1064992>

⁴ <https://thearabweekly.com/ineptitude-corruption-render-yemenis-lives-even-more-dire>

group for the economic troubles that have subsequently worsened the dependency on aid, many turn to the Houthis and their track record of diverting aid for their own use or economic profit. Accusations of aid diversion are a complex matter, as both the internationally recognized government, and its allies, as well as the Houthis have been accused of diverting aid. In certain circumstances, fingers have also been pointed to aid organizations aiding and abetting in this diversion, likely due to safety concerns and the possibility to continue to operate in Houthi controlled areas in a more limited capacity.⁵ These allegations come after investigations uncovered the weaponization of aid, and the conspiring of aid workers with the rebels at many points throughout the conflict, which continues to take place today. In 2019, UN agencies transferred a total of \$133 million of direct transfers, unaudited and without evidence of where these transfers went.⁶ When all the funding is accounted for at an international level, there are discrepancies between the amounts pledged by international governments and organizations and the transfer of funds to aid agencies operating in Yemen.⁷

Aid operations in Yemen are confronted by many logistical challenges, but perhaps one of the most pertinent is corruption. As accusations of aid diversion are directed towards both the Houthis and the Yemeni government, the underlying cause remains within the corrupt institution that allows for aid to be diverted and unaccounted for in the first place. Beyond the diversion of aid, recent findings have also accused both the Houthis and the Hadi government of money laundering and diverting funds, which ultimately adversely affect the aid that comes into and is distributed throughout Yemen.⁸

3. THE INTERNATIONAL PERSPECTIVE

The work that is being done by international institutions is unarguably vital to the humanitarian efforts that millions of Yemenis rely on every month. Throughout the

⁵ <https://www.thenationalnews.com/world/mena/yemen-government-demands-un-transparency-after-allegations-of-corruption-1.895119>

⁶ <https://www.thenationalnews.com/opinion/comment/in-yemen-the-houthis-have-weaponised-aid-with-help-from-an-unlikely-source-1.1032302> ;
<https://apnews.com/article/dcf8914d99af49ef902c56c84823e30c>

⁷ <https://www.thenationalnews.com/opinion/comment/in-yemen-the-houthis-have-weaponised-aid-with-help-from-an-unlikely-source-1.1032302>

⁸ <https://thearabweekly.com/ineptitude-corruption-render-yemenis-lives-even-more-dire>

COVID-19 pandemic, humanitarian agencies have attempted to simultaneously continue their aid delivery efforts while also ensuring adequate testing and safety precautions from the pandemic.⁹ However, many of their efforts have been hampered by the funding cuts, increase in conflict, as well as the diversion of aid on both sides. In October 2020, the UN was only able to reach nine million Yemenis per month, down from 13 million at the beginning of the year.¹⁰ There are now four million people that are no longer receiving aid, that likely have been further affected by the increased levels of fighting and worsening economic conditions. Further, the accusations of aid diversion have impacted the location of aid deliveries, as many international donors have stipulated that they will give humanitarian assistance to the southern part of the country, which is sparsely populated and under government control.¹¹

Because of the aid diversion accusations within Houthi controlled areas, the international community is struggling to gather donations, particularly from key partners that have promised funding in the past.¹² However, it is significant to note that humanitarian aid funding from international donors is not the path forward to ending the humanitarian crisis. The international community is becoming increasingly more concerned with the channels and means through which aid is being delivered in Yemen. The lack of oversight that the UN faces allows them to carry out their mission, with extreme administrative overhead costs.¹³ Part of these costs have gone to paying off conflicting parties in order to access humanitarian aid channels.¹⁴ The corruption that exists within Yemen continues to exacerbate the humanitarian crisis, but has engulfed the international community in the dilemma of succumbing to the corruption in order to deliver vital humanitarian assistance,

⁹ <https://news.un.org/en/story/2020/05/1064992>

¹⁰ <https://www.trtworld.com/middle-east/funding-shortage-cuts-aid-to-four-million-in-yemen-un-40617>

¹¹ <https://www.hrw.org/report/2020/09/14/deadly-consequences/obstruction-aid-yemen-during-covid-19#>

¹² <https://www.thenewhumanitarian.org/analysis/2020/10/07/Yemen-humanitarian-crisis-funding-fuel-famine>

¹³ <https://www.thenationalnews.com/world/mena/houthis-blocked-half-of-un-aid-to-yemen-report-finds-1.981709>

¹⁴ <https://www.thenationalnews.com/world/mena/houthis-blocked-half-of-un-aid-to-yemen-report-finds-1.981709>

while also being scrutinized by international partners who attempt to hold them accountable.

Operating within conflict zones, even beyond Yemen, is always challenging for aid institutions, but problems are only intensified when operating in such corrupt environments. The economic conditions that exist within the corrupt system intensify these struggles, as Yemenis are the ones who pay the price for the Houthis and Hadi government's venality.

Yemen is facing some of the worst economic conditions in decades, and experts have noted that even if international aid efforts were fully funded, Yemen could still be on the brink of famine.¹⁵ As has been the case in the past, prior to and throughout the conflict, the humanitarian crisis is not caused by a lack of food; grocery stores are often well-stocked with produce, but the exchange rate and economic environment prevent many civilians from being able to afford even basic commodities.¹⁶ The solution to the humanitarian crisis cannot be seen solely through the lens of ending the conflict or finding a political solution. Once the conflict ends, there will need to be significant efforts, likely with international support to lift Yemen out of its economic crisis, likely meaning the continuation of aid efforts in a post-conflict setting.

In March, Switzerland and Sweden will host an international, virtual conference to gather aid donations for Yemen.¹⁷ While many of the conversations leading up to this conference remain on the statistics of starving people, the element of corruption and economic strife are largely absent from the conversations. International donors must hold the aid institutions accountable while also looking for a path forward to assist Yemenis beyond the conflict, without further subsidizing the corrupt actions from the Houthis and Hadi government. Notably, the international community, particularly those who are heavily invested into the conflict and aid efforts, should begin conversations in what Yemen's economic

¹⁵ <https://www.trtworld.com/middle-east/funding-shortage-cuts-aid-to-four-million-in-yemen-un-40617>

¹⁶ <https://www.thenewhumanitarian.org/analysis/2020/10/07/Yemen-humanitarian-crisis-funding-fuel-famine>

¹⁷ <https://www.reuters.com/article/us-yemen-security-aid-idUSKBN2AEOJ1>

landscape could look like in a post-conflict setting, and where the international community should be positioned within that.

4. PEACEFUL PROSPECTS, BUT THEN WHAT?

“Humanitarians have been remarkably successful in mitigating some of the worst consequences of the Yemen crisis for civilians. But only a political solution can end the crisis all together” according to UN officials.¹⁸ However, once the conflict ends, there is a long road ahead in order to get the millions of civilians on a path to long-term, sustainable economic and political independence, after nearly 80 percent of the country has relied heavily on aid for the past six years. Countries are starting to become more aware of the impact of the Yemen war and the disastrous humanitarian crisis, which has become apparent in recent weeks with the Biden administrations reevaluation of the Houthis’ designation as a foreign terrorist group, as well as the decision to end support for arms sales to conflict parties.¹⁹ After years of fighting though, the stockpile of weapons within Yemen and the supporting parties to the conflict are significant, and therefore this move to end US arms sales is largely symbolic.

The US’s decision is not going to stop the fighting in Yemen. Parties continue to wage war against one another, increasingly more violently in recent weeks. The political and historical divisions that exist between conflict parties, as well as the atmosphere of corrupt officials will continue so long as the international community condones the behavior. Ultimately, the lack of progress in a political dialogue that has been accepted by all parties, or a strategy for a post-conflict government and economy must be addressed.²⁰

5. CONCLUSION

Aid efforts within Yemen have thus far been ineffective at creating lasting, sustainable efforts to human livelihoods for various reasons, but perhaps most significantly due to the economic conditions of Yemen. The poor conditions of the country have prevented millions of people from living without relying on

¹⁸ <https://news.un.org/en/story/2020/05/1064992>

¹⁹ <https://www.nytimes.com/2021/02/05/world/middleeast/yemen-saudi-biden.html>

²⁰ <https://www.npr.org/2021/02/11/965367686/opinion-yemens-arab-spring-goals-were-lost-heres-how-to-bring-them-back>

humanitarian aid. The aid organizations are struggling to operate within the conflict settings due to corruption on all sides, which creates a vicious cycle of insufficient aid, economic turmoil and fueling corrupt parties in order to move aid into the country.

The conflict, as well as the political and economic situations cannot be siloed into individual causes, and potential paths for solutions to the humanitarian crisis. The root of the humanitarian disaster in Yemen is a culmination of these sectors, which will need to be simultaneously, or at least progressively addressed. The bleak situation in Yemen divulges the unfortunate truth that the humanitarian crisis will not end with the conflict, unless the political and economic troubles are also tackled. Moreover, a ceasefire, even temporarily could pave way for a dialogue on economic and political opportunities, but a ceasefire alone will not improve the humanitarian crisis that has plagued Yemen for the past six years of war.

RECOMMENDATIONS

To the international community providing aid donations in Yemen:

- Discussions on humanitarian aid should be centered around the long-term economic impacts of humanitarian aid and the role of local actors to achieve greater reach.
- Within post-conflict negotiations and peace talks, there must be an emphasis placed on the aid efforts after the fighting ends, noting that humanitarian aid must continue to be prioritized as millions will still face economic hardship.

To the Yemeni government and Houthi Rebels

- Engaging in corrupt activities that inhibit or prevent the flow of humanitarian aid are illegal under international humanitarian law. Corrupt acts such as bribes and pay-outs should be monitored and penalized, as donors to the humanitarian aid crisis in Yemen should be aware of the funding and outcomes in aid efforts. A greater level of accountability must be ensured.

About the BIC

The BIC is an independent, non-profit, think-and-do tank based in the capital of Europe that is committed to developing solutions to address the cyclical drivers of insecurity, economic fragility, and conflict the Middle East and North Africa. Our goal is to bring added value to the highest levels of political discourse by bringing systemic issues to the forefront of the conversation.

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