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# THE HADRAMAWT STRATEGIC THINKING GROUP

## Introduction

With the objective of moving towards a resolution of the ongoing conflict in Yemen, the Sana'a Center for Strategic Studies and Oxford Research Group (ORG) are leading a year-long pilot project to build local capacity for inclusive strategic thinking and dialogue in two of Yemen's relatively stable regions, Marib and Hadramawt. The project rethinks long-held assumptions about the form that the peace process should take. Instead of resorting to top-down centralized frameworks with regards to peace-making efforts, the project seeks to identify otherwise under-represented parties for inclusion in any renewed and potentially restructured peace process. By training local actors in Marib and Hadramawt in the ORG-pioneered collective strategic thinking model, the project creates space for them to define their core needs within the governorates and requirements for investing in the peace process.

In 2018, the Sana'a Center developed a list of influential, well-connected partisan and non-partisan figures with a unique understanding of how things are run in Hadramawt. From this list, participants were selected to join a series of three workshops in Jordan, which took place between May 2018 and February 2019. These workshops brought to light key issues, identified local groups that need to be engaged, and explored appropriate methodologies for addressing these key issues. The workshops brought together locally based and diaspora Yemeni leaders, including leaders of political parties, tribal and social leaders, senior local



The Sana'a Center for Strategic Studies is an independent think-tank that seeks to foster change through knowledge production with a focus on Yemen and the surrounding region. The Center's publications and programs, offered in both Arabic and English, cover political, social, economic and security related developments, aiming to impact policy locally, regionally, and internationally.

## Oxford Research Group

*Breaking the cycle of violence*

Oxford Research Group (ORG) is an independent organisation that has been influential for over 35 years in pioneering new, more strategic approaches to security and peacebuilding. Based in London since 2006, ORG continues to pursue cutting edge research and advocacy in the United Kingdom and abroad while managing innovative peacebuilding projects in several Middle Eastern countries.

authority representatives, academics, business professionals, civil society activists, prominent women, and religious representatives. These regional workshops were followed by workshops in Hadramawt. Held in the cities of Saiyun and Mukalla, these workshops allowed participants from the Amman workshops to engage with other local stakeholders inside Hadramawt, including civil society organizations, youth, and women. They provided a space for issues identified in the Amman workshops to be discussed in more detail. They helped build strategic thinking capacity and cohesion within the separate groups while developing investment in the broader political process by allowing the groups to give voice to the issues they most wanted to see addressed.

This policy brief will present a short profile of Hadramawt governorate and outlines its importance as one of Yemen's key – and currently one of its most stable – regions. It will give an account of how the ongoing conflict has affected Hadramawt, before presenting the key challenges faced by the governorate. It will present a case study dealing with returnees to Hadramawt from Saudi Arabia and concludes with recommendations and an overview of prospects for future conflict resolution in the governorate.

## Profile of Hadramawt

Hadramawt represents one of Yemen's greatest sources of revenue, with a wealth of natural resources – primarily hydrocarbons – located in the country's largest governorate. Hadrami businessmen operating at home and abroad, particularly Saudi Arabia, also generate significant revenues. Before the escalation of conflict in March 2015, Hadramawt produced an estimated 104,000 barrels per day (bpd) from seven different oil fields, with the two largest – Block 14 and Block 10 – producing approximately 37,000 bpd and 50,000 bpd respectively.<sup>(1)</sup> While production halted in early 2015 following the beginning of the Saudi-led military coalition intervention in Yemen, key oil production and export facilities came back online after United Arab Emirates-backed forces helped clear Mukalla and its environs of al-Qaeda in the Arabian Peninsula (AQAP) militants in April 2016.<sup>(2)</sup> During 2018, Block 14 and Block 10, which is operated by the state-run company PetroMasila, produced an average estimated total of 87,000 bpd.<sup>(3)</sup> Exports from Ash Shihr terminal on Hadramawt's coast constitute by far the largest percentage of oil currently being exported from Yemen. Hadramawt also produces gas, and in 2018 produced an estimated average total of 20-25 million standard cubic feet per day (MSCUF/d) at the PetroMasila-run Block 10.<sup>(4)</sup>

The governorate has arable land and coastal areas for fishing. It also has a number of points of entry for international trade, with air and seaports as well as a shared land border with Saudi Arabia. Mukalla Port is one of Yemen's main ports. From July 2017 until July 2018, an estimated total of 350,000 tons of food and other basic commodities

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1) Data provided by a source from the Yemen Petroleum Company (YPC).

2) *Ibid.*

3) "Oil Exports Resume," Economist Intelligence Unit, August 17, 2016, accessed March 22, 2019, <http://country.eiu.com/article.aspx?articleid=1414508725>.

4) Interview with a former oil and gas consultant who has conducted extensive research into gas production levels and usage in Hadramawt.

entered Yemen via Mukalla Port, and an estimated total of almost 900,000 tons of fuel was imported.<sup>(5)</sup> In the same period, a total of 14,429 cargo containers were imported.<sup>(6)</sup>

Hadramawt's businessmen have the reputation of being the most successful, qualified and disciplined in Yemen. The large Hadrami diaspora comprises a comparatively skilled, diverse, and wealthy labor force. Given the governorate's relative stability, compared to elsewhere in Yemen, it represents one of the more attractive investment climates in the country, while wealthy Hadramis have historically shown a predisposition to reinvest financially in the governorate. Workshop participants also noted that there is a large number of Hadrami professionals who are qualified and willing to manage public-private initiatives.

That said, in Hadramawt a degree of tension and competition exists between the Yemeni Army, deployed in the inland areas of Wadi Hadramawt, and Hadrami tribesmen located in coastal Hadramawt. The tribesmen widely resent the presence and conduct of the Yemen Army, with many soldiers hailing from outside Hadramawt.<sup>(7)</sup> There have been repeated clashes between the Yemeni Army and the Hadramawt Tribal Confederacy (HTC) since December 2013.<sup>(8)</sup> A key point of contention has been the influence of military commanders from northern Yemen who operate in Wadi Hadramawt, as they are seen to benefit from lucrative contracts with local and foreign energy companies to provide security at key oil and gas facilities.<sup>(9)</sup>

The internationally recognized Yemeni government pays both the Hadramawt Tribal Confederation (HTC) and PetroMasila for access to Block 14.<sup>(10)</sup> The government, headed by President Abdo Rabbu Mansour Hadi, also pays the UAE-backed Hadrami Elite Forces for access to the oil export facilities that are located in Mukalla.<sup>(11)</sup> These payments are either made in cash, or in fuel provided to the governing authorities in Mukalla for sale on the local market. Although Hadramis now have greater control over the oil and gas facilities in the governorate, the presence of the armed extremists groups, in Wadi Hadramawt remains a significant security concern for local people.

Decision-makers in Hadramawt have long experienced tension with Yemen's central government. The central government retains the power to appoint officials in the governorate, approve or reject Hadramawt's budgets, control the implementation of its infrastructure projects, and appropriate the revenue from its resources. In the view of Hadramis, the central government has a history of appointing poorly qualified people to positions of authority in the governorate, with little to no transparency in how they were selected or how resources were deployed. This has fostered the desire among many Hadramis for greater autonomy.

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5) Information provided by the Mukalla Port Authority.

6) *Ibid.*

7) Haykal Bafana, "Hadhramaut : Rebellion, Federalism or Independence in Yemen?" Muftah, April 22, 2014, accessed March 22, 2019, <http://muftah.org/hadhramaut-rebellion-federalism-independence>; Katherine Zimmerman, "Yemen's Pivotal Moment," Critical Threats, February 12, 2014, accessed March 22, 2019, <http://www.criticalthreats.org/yemen/zimmerman-yemens-pivotal-moment-february-12-2014>; James Brandon, "AQAP Rebounds in Yemen amid Airstrikes," Terrorism Monitor 13, no. 8 (April 17, 2015), accessed March 22, 2019, [http://www.jamestown.org/single/?tx\\_ttnews%5Btt\\_news%5D=43804&amp;no\\_cache=1#.VyRR4zB942w](http://www.jamestown.org/single/?tx_ttnews%5Btt_news%5D=43804&amp;no_cache=1#.VyRR4zB942w).

8) *Ibid.*

9) *Ibid.*

10) Researcher interview with Yemen expert Peter Salisbury, March 5, 2018.

11) Researcher interview with Yemen expert Peter Salisbury, March 5, 2018.

## Impact of the Conflict

The conflict has resulted in a decline in the authority of Yemen's central government in Hadramawt. As workshop participants noted, civil society organizations and local authorities are by themselves unable to replace all of the roles vacated by the central authority. In particular, the central authorities' irregular payments of civil servant salaries has placed this burden on the local authorities, and forced the governor to take assertive steps to take greater control over the governorate's natural resources. Simultaneously, Hadramis – like the rest of their countrymen – have suffered from price spikes in almost all commodities as the nation currency has depreciated in value.

The conflict has introduced several other dimensions of insecurity to Hadramawt. Public services in the governorate are struggling to cope with an influx of internally displaced persons and expatriate returnees from Saudi Arabia.

Wadi Hadramawt, while enjoying better services than Mukalla, has a poorer security environment and has witnessed a spree of assassinations. External actors, notably the United Arab Emirates, have influenced governance and supported local security groups, such as the Hadrami Elite Forces. They are the primary reason the level of security is higher in Mukalla than Wadi Hadramawt. These UAE-backed local forces successfully drove al-Qaeda in the Arabian Peninsula (AQAP) out of the coastal city of Mukalla in 2016. However, AQAP remains a security threat in many parts of the governorate, particularly in Wadi Hadramawt.

However, Hadramawt remains one of the most stable governorates in Yemen. There are no serious internal divisions within the governorate's political structure. Its state institutions, led by the governor, maintain a good relationship with the internationally recognized government and a direct channel of communication with the Saudi-led coalition. Hadrami civil society has had some positive experiences of successfully lobbying decision-makers, for instance to partially reopen Thabah road between Mukalla and Shahr, a key route. They are also preparing to lobby for the increased civilian use of Riyun International Airport, near Mukalla, currently serving as a military base.

There is a sense that the lack of strong governance from the central government provides an opportunity for Hadramawt to form its own new political structure, with local authorities supported by civil society organizations and local communities.

## Key Challenges

### *Insecurity in Wadi Hadramawt*

One of the key challenges identified by workshop participants is insecurity in Wadi Hadramawt. Participants report an increased presence there of armed insurgents and organized crime. They note that this lack of security prevents Hadramis from leading their everyday lives. Participants view the area's security agencies — particularly the police — as weak and unable to fill their expected role. At the same time, they report, military forces have taken over many areas of civil administration in the cities, including roles that they are ill-equipped to fill.

Workshop participants identified a number of potential approaches to begin addressing this insecurity. These included introducing Hadrami security forces into Wadi Hadramawt and/or empowering the inhabitants of Wadi Hadramawt to take control of their own security, as well as promoting the role of the judiciary and reopening courts that have been closed.

### *Environmental protection*

Another key challenge is environmental protection within Hadramawt, particularly with regards to Hadramawt's oil sector, including pollution from petroleum waste, and from the water used to wash oil transporter ships. One notable incident in regard to petrochemical pollution occurred in 2002 with the explosion of the Limburg, a French oil tanker, off of the coast of Mukalla with almost 400,000 barrels of oil on board. Other serious environmental concerns include the inability to safely dispose of industrial waste from factories and medical waste from hospitals. There has been almost no attention given to such environmental issues at a policy level, and no research has been done on the negative impact of it on the Hadrami society.

Awareness of the issue can be raised through media campaigns illustrating the impact of environmental issues. As a second step, strategy workshops can be organized with civil society organizations such as the Naqa Programme at the Hadramawt Cancer Foundation, the environment department at Hadramawt University, and other research organizations.

However, protecting the environment in Hadramawt must extend beyond awareness-raising and include legal mechanisms to ensure that environmental protection becomes a locally owned governance competency. Environmental protection is a governance issue that has gone neglected by central Yemen authorities, yet it is an area of great interest to the international community. Local authorities should be empowered to address and make decisions on local environmental protection issues.

## ***Centralization and decentralization***

Hadramis have long felt that the central government in Yemen holds a disproportionate amount of authority over the governorate; this is particularly the case now that the conflict has undermined the central government's ability to govern effectively. Yet the central government continues to hold legal authority over a number of aspects of development in Hadramawt: the approval of permits, the appropriation of revenue, and the appointment of local officials, among others. Workshop participants said the over-centralization of investment laws in particular hinders development in Hadramawt.

Furthermore, they agreed that legal authority should be reallocated between the central and the local levels. There should be more transparency and accountability in who holds decision-making authority and how decisions are made. Local authorities should be legally empowered to make binding decisions across a wide range of governance issues: managing revenues from natural resources and taxes, issuing permits, regulating ports, transparently appointing and firing public servants, proposing transparent budgets, legislating environmental protections, and entering into agreements directly with international actors. Local authorities in the governorate should be empowered to encourage investment in the governorate by updating investment laws, conducting feasibility studies, and organizing high-level meetings. Hadramawt's weak judiciary should be strengthened and given the capacity to adjudicate land disputes. Workshop participants highlight that aspects of decentralization were agreed upon during the 2013 National Dialogue Conference and should now be actively pursued through organized advocacy.

## ***Marginalization***

Workshop participants said Hadramis felt that, because they are not on the front lines of the conflict, they have been excluded from the current UN-led peace process. This comes after a long history of marginalization from Yemen's centralized governance structure. Yet Hadramis feel they provide a critical voice at the table: they view themselves as a force for moderation. They see their governorate as a model of tolerance and cooperation. Participants also expressed a strong desire to be engaged in any future national peace process.

## Case Study: Returning Expatriates from Saudi Arabia

One key challenge that was taken forward as a case study by the Hadramawt Strategic Thinking Group was in relation to the returning expatriates from Saudi Arabia. Anecdotal evidence suggests that Hadramawt has seen a recent large influx of expatriate Yemeni workers returning from Saudi Arabia as a result of Riyadh's increasingly stringent attempts to nationalize its workforce, though reliable data on the number of returnees is scarce. In the view of many Hadramis, these returnees pose a threat to social cohesion. Given that many will return unemployed, they will likely put pressure on public services. Many returnees also lack official records, which workshop participants said raises concerns over whether they are admitting into their governorate returnees with histories of armed extremism or crime. These fears reflect deeper governance concerns, including weak rule of law and insufficient security at the border, and development issues such as the lack of adequate housing and poor infrastructure.

In a series of workshops organized by the Sana'a Center and ORG in Hadramawt in January 2019, participants identified mechanisms to address these concerns. Participants noted that Hadramawt has a tolerant culture and enjoys a relatively high degree of peace and social cohesion. They further pointed out that a number of returnees have valuable skills and capital to invest in Hadramawt's industries and infrastructure. With that in mind, the participants highlighted the following mechanisms for addressing the influx of returnees:

- Creating a personal information database. This database can track returnees' names, ages, skills, qualifications, and financial status. It can be developed in partnership with the Ministry of Expatriate Affairs and the Ministry of Foreign Affairs, and maintained at ports of entry.
- Assimilating returnees. This means forming a unified organizational structure to aid in the assimilation of returnees. It involves opening new education centers, providing small education grants, holding workshops to assess returnees' needs, and raising awareness through the media. This mechanism requires the involvement of civil society organizations, universities, and media organizations.
- Encouraging investment in infrastructure. As returnees require housing, new investment in residential infrastructure is urgent. There are many as-yet undeveloped areas within Hadramawt that could become the site of future housing projects. Local authorities can survey existing infrastructure, undertake a needs assessment, and prepare feasibility studies for infrastructure investment.
- Developing local security services. In the absence of the central government's security forces, Hadramawt could develop its own security forces, staffed by returnees. This could include the establishment of a police academy to train returnees.

## Recommendations

The following recommendations have been proposed by the Hadrami participants of the Rethinking the Process project:

### *For local authorities in Hadramawt:*

- Introduce Hadrami security forces into Wadi Hadramawt, drawing on lessons learned from Hadrami Elite Forces in the coastal zone. This will allow the inhabitants of Wadi Hadramawt to take control of their own security.
- Raise awareness of environmental issues through media campaigns. Organize workshops with civil society organizations to develop a strategy for environmental protection.
- Aid in the assimilation of returnees from Saudi Arabia by providing education opportunities to returnees and encouraging investment in new housing and other infrastructure.

### *For the internationally recognized government:*

- Delegate legal power to local authorities in Hadramawt to manage revenue, issue permits, update investment laws, regulate ports, appoint and fire public servants, propose budgets, legislate environmental protections, and enter into agreements directly with international actors.

### *For the international community:*

- Include representatives from Hadramawt in the peace process. This will contribute to the legitimacy of the process as a whole.



## Conclusion

Although Hadramawt has not seen as much active fighting as other governorates, it has certainly felt the impact of the conflict. Import restrictions and the currency crisis have weakened the ability of Hadramis to meet their basic needs. Non-state armed groups including AQAP have taken advantage of broad destabilization and remain active in the inland areas of Wadi Hadramawt. The Saudi-led coalition, despite controlling security actors in various areas of the governorate, does not provide basic public services, while a large influx of Hadrami returnees to the governorate further strains services.

Local authorities in Hadramawt must be empowered to provide services to their own people. Where local capacity has been engaged and supported, local authorities have been successful. Hadramis feel that local authorities must have more autonomy in their decisions, regardless of the potential outcome of the conflict. In the long term, Hadramawt seeks a decentralization of authority that will last beyond any potential peace agreements. This includes a greater ability to control the revenues derived from the governorate's resources to support local development and security.

*The opinions in this paper represent a summary of the discussions and meetings of the Hadhramawt Strategic Group and do not necessarily reflect the personal opinions of the participants, the Sana'a Center for Strategic Studies or the Oxford Research Group.*