

FROM WARLORDS TO STATELORDS

ARMED GROUPS AND POWER TRAJECTORIES IN LIBYA AND YEMEN

edited by **Eleonora Ardemagni** and **Federica Saini Fasanotti**

introduction by **Paolo Magri**



ISPI

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Introduction

For more than 10 years, Libya has been mired by political instability. Gaddafi's demise left the country in a limbo that, despite several attempts to generate a meaningful political process, has been continuing until today. Yet, European countries found themselves forced to cooperate with this wavering partner to protect their own interests, ranging from energy supplies to migration and regular economic activities. Not only. Following the Russian invasion of Ukraine, Libya's current and potential role as energy supplier (for oil and gas) becomes even more pivotal, as Europe tries to wean itself off Russia's fossil fuels.

In light of growing energy insecurity, some observers started raising concerns about the external impact of Yemen's protracted conflict. Despite being geographically remote from the European continent, the proximity to global maritime energy routes (the Red Sea and the Bab el-Mandeb) poses a threat to the stability of global energy markets, as the Houthis are increasingly targeting energy infrastructures in Yemen and in the neighbourhood. The growing importance of Libya and Yemen, to both Europe and Russia, has bolstered the warlords' powerful bargaining position as local proxies to foreign patrons. From such broader perspective, these two countries share a few common characteristics: practically non-existent state institutions and unaccountable self-governance at local level making them increasingly pivotal to Western stakeholders.

This Report investigates how Libyan and Yemeni warlords became state lords, by analysing economic relations, hence power balances, in times of institutional fragmentation and collapse. In contexts of fragile ceasefire (Libya) and unstable truce (Yemen), the absence of State institutions paved the way for the creation of political realities on the ground led by traditional militias. Over time, armed leaders have found fertile grounds, becoming more and more entrenched to local communities, permeating the fabric of civil society while governing under the state umbrella, exploiting the weakness of contested institutions.

Currently, two intertwined dynamics matter in how political and economic balances are being reshaped in Libya and Yemen. First, energy revenues, critical infrastructures and illicit trafficking are financing sources for many armed groups in both countries. This occurs against a background of collapsed national economies and declining international assistance. Second, many armed group leaders – often interlocutors at the diplomatic table – play a multifaceted role: they are not only military commanders, but also tribal chiefs, politicians – and, most of all, businessmen.

As a result, armed groups tend to reproduce predatory mechanisms within state institutions, instead of adapting to institutional standards and rules. Regardless of formal settlements, this variable erodes further prospects to shift from conflict economies to post-conflict economies, with implications for civilians and policy-makers.

In the opening chapter, Eleonora Ardemagni analyses how neopatrimonial dynamics, present in central state institutions (neopatrimonial states) from the 1960/70s, are still seen in the contemporary ‘microstates’ locally built upon the power of armed groups (armed neopatrimonialism), and how they adapted over time. As Ardemagni explains, state resources such as energy revenues, critical infrastructures and illicit trafficking played a crucial role in this process: not only by generating revenues, which are key to secure their clients and the entire

population's loyalty (for instance, by providing financial, humanitarian and development aid to local authorities), but also allowing them to sit at official tables securing institutional legitimacy. Consequently, under this social hierarchy system, it is simply unrealistic to imagine an effective transformation to a post-conflict economy, at least as long as armed leaders monopolise economic relations.

In the second chapter, Vanda Felbab-Brown focuses on the role of the changing landscape of global efforts against nonstate armed actors, and how it intertwines with the stories of five warlords in the Libyan and Yemeni conflicts. By the end of the post-9/11 era and the United States no longer motivated to engage in protracted, large-scale military deployments à la Iraq and Afghanistan, many nonstate armed actors remain powerful. Accordingly, current geopolitical trends, characterised by regional competition and fragmentation, as well as by the decline of American interest in the Middle Eastern region and the eclipse of counterterrorism, have left room for new types of warlords.

The following chapters examine the way in which state resources – namely, energy revenues, critical infrastructures and maritime boundaries, as well as illicit trafficking, – are exploited by warlords to generate revenues. In Libya, says Anas El-Gomati, the disruption of energy fields and infrastructure has turned into the main armed groups' tool of blackmail vis-à-vis institutions, internal rivals and external stakeholders, as well as a bargaining chip to gain political access to the state. In such fragile context, the chaos of war allows for the looting of state institutions by armed groups under a political imperative of survival at all costs, whilst the conditions of peace have become even more lucrative, as foreign actors and armed actors exploit the peacebuilding process to negotiate their discrete influence into the state.

Conversely, in Yemen, both formal and informal economies heavily depend on the export of crude oil, with the conflict shifting its focus from places of political importance to areas of economic relevance. As explained by Mareike Transfeld and Ahmed al-Shargabi, local authorities and armed groups are in an

internal race to secure the control of oil reserves, fundamental to not only fund their operations, but also to sustain governance structures, while preventing others from doing so.

Also, the white washing of illicit money through the smuggling of consumer goods is a significant source of revenue. In Libya, says Amanda B. Kadlec, armed leaders start licit business activities, and even philanthropic, non-governmental organisations, thus further blurring the boundaries between legal/illegal economy. More than that, armed groups often perform ‘anti-smuggling’ operations, in order to gain legitimacy for their own activities, or to seek dominance with respect to rival armed groups with economic interests.

In Yemen, on the other hand, the militarisation of borderlands has even strengthened smuggling networks, especially after regional actors began planting several armed groups throughout these areas. As explained by Ahmed Nagi, the Saudi-led Coalition intervention, since 2015, also aims to control the land and maritime borders of the country, thus preventing rival forces to reach, seize and profit from these strategic areas.

Tarek Megerisi then moves further, exploring the process of ‘mafiaisation’ and the way it destabilised Libya’s economy. Despite the role of political and business élites in continuously setting ever worse examples of malpractice, it is Libya’s militias which have truly become the biggest beneficiary of the state of Libya’s dissolution. Savvily leveraging politicians’ need for protection, armed groups have evolved from opportunistic young men and petty criminals to largely white-collar criminals. This process has had a deep impact on many core areas of European interests, from protecting energy supplies to migration and regular economic activities.

In Yemen, the governance of maritime boundaries is multi-governed: armed groups – with varying degrees of opposition to, or alliance with, the internationally recognised government – control most of the country’s coastline, profiting from fees, customs duties, and smuggling networks. Eleonora Ardemagni analyses the role of these ‘coastal lords’ in disempowering the (re)

building of an effective and de-politicised Yemen Coast Guard (YCG). The author also notices how externally driven projects for the YCG are likely to prioritise foreign powers' interests, while neglecting local development and security concerns. Such an approach would pave the way for the strengthening of warlords' economies, rather than containing them.

Finally, Federica Saini Fasanotti analyses the historical path that led armed groups to acquire an increasingly prominent political role. She then outlines the socio-economic reforms needed to contain the militia's proliferation. Given that any electoral process requires stability, and elections cannot *per se* kick off the democratisation path, stability can only be pursued through territorial control. To be effective at stabilising the country, such territorial control needs to be exercised by state institutions through a credible, legitimate monopoly of force. Something that will have to come about, one way or another, before instability in Libya and Yemen can be put to an end.

Paolo Magri
ISPI Executive Vice President

1. Libya and Yemen's Warlords: Neopatrimonialism Under a New Guise

Eleonora Ardemagni

This chapter investigates how Libyan and Yemeni *warlords* are becoming *statelords*, by analysing evolving economic relations, and hence power balances, in times of institutional fragmentation and collapse. It also reflects upon warlordism and its implications, and attempts to identify a new vocabulary for framing dynamics and actors in hybrid security orders. As this framing¹ suggests, neopatrimonialism has demonstrated great persistence and adaptability in both countries: neopatrimonial dynamics were present in central state institutions (*neopatrimonial states*) from the 1960/70s, and are still seen in the contemporary “microstates” locally built upon the power of armed groups (*armed neopatrimonialism*) after 2011. In fact, in both Libya and Yemen, most armed group leaders, like the authoritarian state leaders before them, arbitrarily control energy fields, revenues and/or infrastructures, as well as smuggling and trafficking routes, while also playing a prominent role in local governance. Libya's and Yemen's conflict-rooted economies also present a significant maritime dimension: the armed groups, and intermittently jihadi formations too, control much of the coastline, including commercial ports and energy waterways. Since the 2010s, a variety of armed groups, once insurgents and rebels, now hybrid actors, have entered Libya's and Yemen's

¹ I am grateful to Federica Saini Fasanotti and Frederic Wehrey for their valuable comments on an earlier version of this chapter.

dysfunctional state institutions, often merging with them. In this way, their leaders have brought their personal networks of survival, profit and governance under the umbrella of the state, exploiting the weakness of contested institutions. “Black markets” have broadly turned into “grey markets” in which the boundaries between “illicit” and “informal” are extremely vague. By leveraging institutional, economic, social and religious factors, warlords and their webs often manage to gain some sort of political legitimacy.

Comparing Libya and Yemen: Structural and Current Analogies

Since the 2010s, Libya and Yemen have been two flashpoints in the turbulent Middle East and North Africa region (MENA). Both are characterised by the presence of energy interests and regional spoilers, and these dynamics make a comparison very apt in 2022, as the Ukraine crisis focuses attention on global interdependence. Given their geographic location, Libya and Yemen are “geopolitical gateways”: the coast of Libya connects Africa to Europe across the Mediterranean; that of Yemen links the Gulf with Africa across the Western Indian Ocean, and the Arabian Peninsula with Europe across the Red Sea. For European stakeholders, Libya is pivotal for energy production, diversified supply and infrastructure. Although Yemen is declining as an energy exporter, it lies close to global maritime energy routes (the Bab el-Mandeb strait), and attacks from its territory can threaten energy market stability.

At first sight, post-2011 Libya and Yemen resemble political twins.² At the time of writing, both Tripoli and Sanaa have two governments, two central banks and two national oil companies: this institutional duplication is the common outcome of political

² For an outstanding comparison between Libya and Yemen’s security sectors, refer to Y. Sayigh, “[Crumbling States. Security Sector Reform in Libya and Yemen](#)”, Carnegie Middle East Center, June 2015.

trajectories that, though different, reveal interesting analogies. In the 2010s, the Libyan and the Yemeni popular uprisings turned into civil wars. These gradually acquired a regional connotation – enhanced by external military interventions – and eventually became proxy confrontations. Their national trajectories are mirrored by the evolution of the armed groups involved. In Libya and Yemen, formations that first emerged as military players, against or in support of the state, have gradually morphed into economic actors and then political entities. As these boundaries are increasingly blurred, armed groups manage to combine wartime and peacetime functioning modes. They survive “sous forme souterraine”³ through the conversion of criminal activities and smuggling, as in the case of the Libyan National Army (LNA) in Benghazi. The logics of power have now been reversed: armed groups no longer aim to dismantle the state, since what remains of its institutions and, to a lesser extent, international organisations and capitals, often directly acknowledge them, and offer their leaders a seat at table. This trend is underlined by the composition of the Presidential Leadership Council in Yemen and the rise of “political militias” in Libya.⁴

Most Libyan and Yemeni armed groups exhibit three features: tribal linkages, connections to a specific territory, and pragmatically “mercurial” alliance-making.⁵ This landscape is the outcome of late, weak and contested statehood experiences. Tribal structures and local powers have often replaced the state or filled its vacuums, providing alternative models of governance whose fortune stands in the armed groups’ ability to

³ M.E. Lazib, “Construction inachevée d’une monopolisation de pouvoir, l’ascension de Khalifa Haftar en Libye”, in *Libye, Géopolitique d’un chaos*, Hérédote, 2021, 3, no. 182, pp. 63-74, cit. p.73.

⁴ E. Badi, “[Armed Groups No Longer: Libya’s Competitive Political Militias](#)”, Italian Institute for International Political Studies, ISPI Commentary, 8 July 2022.

⁵ J. Harchaoui and M.E. Lazib, *Proxy War Dynamics in Libya*, The Proxy Wars Project (PWP), Virginia Tech-Brookings Doha Center-Carnegie Corporation, 2019, p. 4.

influence and negotiate with formal institutions. Warlords and conflict economies develop within this framework. Libya and Yemen are, respectively, rentier and semi-rentier states: energy is the backbone of their economy, or a key source of income alongside international development aid. However, failed social contracts have transformed this revenue into an opportunity for oligopolies and corruption, and for the mushrooming of social inequalities. Both in Libya and Yemen, the majority of the oil and gas fields are located in Eastern and Southern regions (for instance, Cyrenaica and Fezzan in Libya; Marib, Shabwa and Hadhramawt in Yemen), but the capitals and their political-military circles monopolised the income from energy before 2011. Nowadays, despite energy revenues, the remaining state institutions are not even able to pay fair salaries on a regular basis or to provide basic services. In this context, popular protests against fuel and electricity shortages have erupted again, since 2021, in Libya and Yemen. On the other hand, energy has been traditionally used as a “bargaining chip” by tribal militias and armed groups *vis-à-vis* governments: blockades and sabotage of pipelines testify to the politicisation and weaponisation of oil. In a context of high energy prices, oil revenues are both an “incentive for peace” and potentially a “battle intensifier” for the armed groups. While they provide resources for the implementation of possible power sharing agreements, at the same time, higher energy profits are also likely to trigger further competitive violence for the control of energy assets.

Armed Leaders Are the New Businessmen

Currently, two intertwined dynamics are prevalent in reshaping political-economic balances in Libya and Yemen. First, energy revenues, critical infrastructures and illicit trafficking are sources of finance for many armed groups. This combines with their infiltration and capture of the state economy, capitalising on collapsed national economies and declining international

assistance. In Libya, for instance, the “Tripoli cartel”⁶ has switched from the control of banks to “protection rackets” (taxes for security) and the black market. On the other side, units of the Petroleum Facilities Guards affiliated to Khalifa Haftar’s LNA control most of the main oil fields and export terminals in Cyrenaica. In Yemen, the Houthis collect illegal fees and levies especially from oil and communications, also confiscating the assets and funds of individuals and entities. In 2020-21 however, most of the Houthis’ fuel income “likely came from their control of the supply chain and sales via the Yemen Petroleum Corporation and the parallel market”.⁷

Second, the leaders of many armed groups – often also interlocutors at the diplomatic table – play a multifaceted role: they are not only military commanders, but also tribal chiefs, politicians and, most of all, businessmen. In Libya in 2016, the LNA established the Military Authority for Investment and Public Works (MAIPW) to gain full control of the economy in controlled areas, including the production sector and infrastructures. In Yemen, the Houthis target revenue flows of the central government by controlling the management of companies and institutions; they have also established a parallel, extra-government agency (the Supreme Council for the Management and Coordination of Humanitarian Affairs) to directly handle foreign aid grants and assistance.⁸ Armed groups therefore stand at the core of economic relations and reproduce predatory mechanisms in what remains of state institutions. These are the same, dysfunctional institutions that, before 2011, were hostage to oligopolies and corruption during

⁶ The four militias of the “cartel” are the Special Deterrence Force, the Tripoli Revolutionaries Battalion, the Nawasi Battalion and the Abu Slim unit of the Central Security Apparatus. Refer to W. Lacher and A. al-Idrissi, *Capital of Militias. Tripoli's Armed Groups Capture the Libyan State*, Small Arms Survey, Briefing Paper, June 2018.

⁷ “UNSC Panel of Experts on Yemen”, Final Report 2022, S/2022/50, p. 3; International Crisis Group, *Brokering a Ceasefire in Yemen's Economic Conflict*, Report 231, January 2022, p. 31.

⁸ “UNSC, “Panel of Experts on Yemen”, Final Report 2021, S/2021/79, p. 34.

the extended authoritarian rule of Muammar Ghaddafi and Ali Abdullah Saleh.

Introducing *Armed Neopatrimonialism*

Against this backdrop, what shape do economic relations assume as *warlords* become *statelords*, not only by ruling specific territories (*de facto* “microstates” or “militiadoms”),⁹ but also directly participating to state institutions and companies? What prospects are there for stabilisation when conflict economies become an enduring scenario because of fragile ceasefires (Libya) and unstable truces (Yemen)? In an attempt to provide answers, this framing chapter of the report starts by identifying neopatrimonialism as the analytical key and continuity element needed to make sense of the trajectory of power relations in both countries. Power combines coercive and economic elements. Since the 2011 uprisings, Libya and Yemen have gradually shifted from *neopatrimonial states*, in which revenue was arbitrarily distributed by rulers in exchange of loyalty, both through formal institutions and personal informal networks,¹⁰ to *armed neopatrimonialism*, in which leaders of armed groups re-produce neopatrimonial mechanisms (“revenue for loyalty”), interacting with formal institutions and ruling *de facto* microstates. The relationship between leader and community – the very essence of power – therefore remains unvaried despite a change in players: yesterday the State and its rulers, today the *de facto* microstate and its warlords. Neopatrimonialism has plagued post-colonial Arab states and their unequal

⁹ E. Ardemagni, *Beyond Yemen's Militiadoms. Restarting from local agency*, The European Union Institute for Security Studies, EUISS Conflict Brief Series 8, April 2020.

¹⁰ This definition of neopatrimonialism builds upon Eisenstadt (1973) and Ayubi (1995). The Weberian notion of patrimonialism (*Herrschaft*) describes a family based and vertically oriented power structure, in which economic and military relations depend arbitrarily on the ruler. According to Eisenstadt, neopatrimonialism defines a patrimonialist system of power which, however, accepts the shapes and institutions of the modern state.

modernisation paths since the 1960/70s, leading to the fall of many regimes in 2011, including those of Libya and Yemen.¹¹ It has re-appeared today under a new guise and through new actors, given the neopatrimonialist orientation of the warlords.¹²

Power Relations: From Neopatrimonial States to Armed Neopatrimonialism

Following 2011, the state institutions of Libya and Yemen were shattered by processes of contestation, erosion, collapse and duplication. In this way, their territorial presence and control have been dramatically reduced, leaving room for the rise of parallel “governments” and *de facto* authorities led by armed groups (bottom-up level). At the same time, weakened state institutions have relied on purpose-built armed groups to counter rebels and support the surviving segments of the security sector (top-down level). As a result, power balances in Libya and Yemen have changed radically due to the reshaping of military, political and economic relations. However, the neopatrimonial feature of power relations has remained a constant, though adapted to new actors and networks. For this reason, it is possible to argue that Libya and Yemen have merely assumed a new, transformed neopatrimonial regime, which I define here as “armed neopatrimonialism”: this is driven by, and centred on, the warlords who rule territories through personal, informal and lucrative logics of power – the same logics previously applied by authoritarian state leaderships through formal institutions.

¹¹ A. Nehme, *The Neopatrimonial State and the Arab Spring*, Issam Fares Institute for Public Policy and International Affairs, American University of Beirut, 2016.

¹² A. Giustozzi, *The Debate on Warlordism: The Importance of Military Legitimacy*, Crisis States Research Centre, London School of Economics and Social Sciences, LSE Discussion Paper no. 13, September 2005.

Before 2011: Neopatrimonial States

In Libya and Yemen too, the neopatrimonial state was based on centralisation and large-scale patronage: armed groups tended to infiltrate and dominate institutions in order to maximise power. Ruling families (Ghaddafi and his sons, Saleh and his sons and nephews) played a central role in economic relations and related patronage politics, thus quietly transforming these countries, in popular perception, into “hereditary republics”. In Yemen, the military had a central role in the national economy, dominating *de facto* the import and distribution of petroleum products. In the 1980s, a “tribal-commercial-military complex”¹³ monopolised the energy industry and revenues: officers in the armed forces formed a ring linking tribes, merchant families and the Sanaa-based political power. In the 2000s, this evolved into a narrowed patronage system, centred on Saleh’s family members and selected tribal chiefs. Formal and informal economy intersected. Formally, the Military Economic Corporation (MECO) controlled import licenses, real estate and industry; at an informal level, it also monopolised the smuggling of subsidised diesel. In the 1990s, the MECO was transformed into the Yemeni Economic Corporation (YECO), also working in construction, pharmaceuticals, transport and agriculture. In this phase, the military dominated post-unification privatisations, for instance claiming land for military use and absorbing the companies that were part of the former People’s Democratic Republic of Yemen (PDRY).¹⁴ Major General Ali Mohsin Al Ahmar, for a long time the number

¹³ P. Dresch, *A History of Modern Yemen*, Cambridge, Cambridge University Press, 2000.

¹⁴ See A. C. Seitz, “Patronage Politics in Transition: Political and Economic Interests of the Yemeni Armed Forces”, in E. Grawert and Z. Abul-Magd (eds.), *Businessmen in Arms. How the Military and Other Armed Groups Profit in the MENA Region*, Lanham, MA, Rowman & Littlefield, 2016, pp. 157-73; G. Hill, P. Salisbury, L. Northedge, and J. Kinninmont, *Yemen: Corruption, Capital Flight and Global Drivers of Conflict*, Chatham House Report, 2013.

two in the Yemeni government, epitomises this military-tribal-economic nexus. In fact, Ali Mohsin is a member of the Sanhan tribe like Saleh, the commander of the First armoured division of the army (disbanded in 2012), a man very close to the Islah party and its Muslim Brotherhood component as well as to the Salafi and jihadi *milieu*. Most of all, Ali Mohsin owns the oil firm Dhakwan Petroleum and Mineral Services,¹⁵ maintains – as does Saleh and his family – extensive patronage networks inside MECO/YECO, and is allegedly involved in fuel and arms smuggling. Unlike Yemen, Libya did not experience a real “military economy”. In fact, Ghaddafi kept the military small and divided as a coup-proofing strategy. However, patronage networks shaped the political relationship between military actors and the economy to strengthen regime security. These networks, made up of family members, tribal consociates and allied tribes, preserved the political order through privileges and corruption, as emphasised by Ghaddafi’s patronage-oriented reshaping of the Jaysh Bubakar after the failed coup in 1993.¹⁶

After 2011: Armed Neopatrimonialism

In the *de facto* microstates or “militiadoms” they control in Libya and Yemen, armed groups today replicate the neopatrimonial practices that previously characterised dysfunctional central institutions.¹⁷ However, unlike neopatrimonial states, armed-group-led microstates focus on territorial client networks rather than nationally structured patronage. In fact, the warlords’ approach is decentralised, tending to control economic routes and webs rather than institutions, and widely relies on

¹⁵ G. Hill et al., *Yemen: Corruption, Capital Flight and Global Drivers of Conflict*, p. 21.

¹⁶ Jaysh Bubakar identifies the lower tier army headed by the former Libyan Defense Minister Bubakar Younes Jaber (also known as Abu Bakr Yunis Jabr). See A. El-Gomati, *Libya's Political Culture Wars*, Konrad Adenauer Stiftung (KAS), Libya Brief no. 9, October 2020.

¹⁷ On Yemen, see E. Ardemagni, “Yemen’s Defense Structure: Hybridity and Patronage after the State”, *Journal of Arabian Studies*, vol. 10, no. 1, 2020, pp.72-89.

middlemen and intermediaries. Given the reality of microstates, current research opts to investigate “conflict sub-economies” rather than “conflict economies”, and to frame distinct location-based patterns of resource production, mobilisation and allocation, showing how these sustain competitive and embedded violence.¹⁸ Currently, the relationship between the state and the armed groups has been reversed: the latter are no longer dependent on the state for economic power. Conversely, the further this hybridisation process progresses, the more the fractured state becomes dependent on the military, economic and ultimately political support of selected armed groups in order to survive and counter other armed groups. According to Springborg, post-2011 Libya and Yemen are “residual states” in which institutions serve the interests of armed groups by “channelling resources to them”.¹⁹ Armed neopatrimonialism develops on the ground as a network of military, economic, and in some cases social loyalties centred on a specific and multifaceted armed group. In the latest phase of the neopatrimonial state in the 2000s, family ties were still the backbone of economic relations in microstates; this created local interests and identities that were stronger than ever. In Libya, Haftar and his sons, Saddam and Khaled, respectively the informal commanders of the Tariq bin Ziyad Battalion and of the 106th LNA Battalion, have shaped a “tribal patrimonial network” in Cyrenaica that resembles the old experience of the Jaysh Bublikar, whose structure was shaped by Ghaddafi, after the failed 1993 coup, as an “inward-looking patronage system” to maximise tribal loyalty and accommodate power.²⁰ In Yemen, the governorate officials of Marib, Hadhramawt and Mahra – all quite autonomous from the recognised government

¹⁸ See T. Eaton, R. Mansour, L. Khatib, C. Cheng, J. Yazigi, and P. Salisbury, *Conflict Economies in the Middle East and North Africa*, Chatham House Report, June 2019.

¹⁹ R. Springborg, “Forward”, in *Businessmen in Arms*, pp. xi–xv, cit. p. xiii.

²⁰ A. El-Gomati, “A Tale of Two Armies” in Y. Sayigh and N. Toronto (Eds.), *Politics of Military Authoritarianism in North Africa*, Malcolm H. Kerr Carnegie Middle East Center, CMRAS, March 2021.

and relying on local armed groups – are reportedly enriching themselves through the appropriation of revenues, respectively from energy (Marib and Hadhramawt) and customs duties at ports and crossing points (Mahra), without any effective control by the Central Bank in Aden.²¹ The governorate of Marib has also developed an autonomous energy supply chain (extraction, refinery and distribution) since the war broke out in 2015, allowing Marib to directly monetise its oil and gas wealth.

Against this backdrop, Libya's and Yemen's contemporary warlords assume the roles of "patrons" and "clients" simultaneously. They are patrons with respect to the locals who inhabit the controlled territory, arbitrarily allocating revenues, licenses and jobs. However, they are also clients of external state powers on whom they depend, to different degrees and in different ways, for financial, military and training support. This dynamic creates landscapes in which security and military actors receive funding and equipment from different, and often competing, foreign sources, to the detriment of cohesive national Security Sector Reform/Governance (SSR/G) efforts.

The Outlook: The Rising Political Legitimacy of the Warlords Means Enduring Conflict Economies

The armed groups of Libya and Yemen have entered and merged with fractured state institutions: in other words, the warlords have become the new statelords. This adaptation is favoured by the enduring neopatrimonial nature that long characterised central state dynamics and is now reproduced in the locally held microstates by the armed groups. What is most striking when we look at today's warlords in Libya and Yemen is their growing political role. According to Giustozzi, "the warlord is a neopatrimonialist": he is "a non-state political-military actor who has military legitimacy but little or no political legitimacy

²¹ "Panel of Experts on Yemen", Final Report 2020, S/2020/70, p. 28.

and therefore “lacks interest in changing the nature of the state”. However, in post-2011 Libya and Yemen, warlords are not only driven by profit, but are involved in local governance, thus gradually gaining some sort of political legitimacy. This process of evolution presents many dimensions. At a strictly institutional level, recognised institutions and/or international stakeholders are giving top-down recognition to certain armed groups, inviting selected leaders to sit at official tables. This indirectly provides institutional legitimacy to groups with “ground legitimacy”, i.e. those who have acquired territorial power on the battlefield. For instance, Yemen’s Presidential Leadership Council – to whom the interim president transferred his powers – has appointed three prominent armed group leaders among its eight-members: Aydarous Al Zubaidi of the Southern Transitional Council (STC, whose affiliated armed groups control many Southern governorates), Tareq Saleh of the National Resistance Forces, and Abdulrahman Abu Zaara Al Muharrami of the Giants Brigades. In Libya, the Presidential Council of the Tripoli-based Government of National Accord (GNA) appointed Abdel Ghani Al Kikli (also known as Gheniwa), leader of the armed group Abu Salim Central Security Force, as head of the new Stability Support Authority which refers directly to the presidency. The armed groups are also capitalising on a growing social role at community level, for instance providing financial, humanitarian and development assistance to local authorities (Tareq Saleh’s National Resistance Forces in Khawkha, Mokha and Dhuhab on the Yemeni West coast), or tackling the spread of drugs, alcohol and criminality through patrolling and raids (Abdelrauf Kara’s Special Deterrence Force-SDF/Rada in Tripoli, Libya). In Libya and Yemen, the armed groups are also gaining leverage in religious bureaucracies. In fact, Islamic ministries and schools, charities and endowments²² mirror the collapse and fragmentation of state institutions; competing authorities have

²² Endowments (awqaf) deal with financial and property assets and exercise power on mosques’ appointments.

established parallel and rival religious bodies whose ultimate goals are indoctrination and recruitment. For instance, in Libya, Madkhali Salafis, Muslim Brothers and Sufis are in dispute over the orientation of endowments and appointments, with religious figures backed by the armed groups.²³ In Yemen, the Houthis closed Zaydi Shia study centres to sideline traditional religious authorities while organising summer camps for youth indoctrination and cultural courses (the latter mandatory for imams, public sector workers and conscripts for the front line) in which participants listen at Al Houthi family speeches.²⁴ From an economic perspective, the warlord exploits and capitalises on state institutions and their existing networks to pursue profit and to manage logistics and supply operations.²⁵ For this reason, in contexts of state fracturing, armed groups do not seek to further destroy the state as they gain legitimacy from its remnants and, despite looting and smuggling, represent a form of “social embeddedness”.²⁶ Therefore, as long as armed leaders monopolise economic relations in Libya and Yemen, it is simply not realistic to imagine an effective transformation from a conflict to a post-conflict economy. This is especially true now that warlords are gradually becoming statelords, building neo-patrimonial mechanisms and leveraging on multidimensional political legitimacy. This process should push analysts and policy-makers to rethink how to frame the Libyan and Yemeni landscapes, and how to approach them.

²³ See F. Wehrey, “[Libya’s Factional Struggle for the Authority of the Islamic Endowments](#)”, in F. Wehrey (Ed.), *Islamic Institutions in Arab States: Mapping Dynamics of Control, Cooptation and Contention*, Carnegie Endowment for International Peace, June 2021, pp.73-90.

²⁴ M. Shuja Al-Deen, “[Yemen’s War Torn Rivalries for Religious Education](#)”, in F. Wehrey (Ed.), *Islamic Institutions in Arab States: Mapping Dynamics of Control, Cooptation and Contention*, pp. 33-52.

²⁵ A. Giustozzi, *The Debate on Warlordism: The Importance of Military Legitimacy*, Crisis State. Development Research Centre, LSE, October 2005.

²⁶ P. Droz-Vincent, “Libya’s Tentative State-Rebuilding: Militias’ ‘Moral Economy’, Violence, and Financing (In)Security”, in *Businessmen in Arms*, pp. 175-196, cit. p. 183.

2. The Lords of War in the Changing Geopolitical System

Vanda Felbab-Brown

For over ten years, Libya and Yemen have been stuck in protracted and devastating civil wars. Beyond a changing array of impactful external powers, the two wars have featured a panoply of nonstate armed actors. My portraits of five warlords in the Libyan and Yemeni conflicts tell the story of how global responses to nonstate armed actors have evolved over the past two decades, how the post-9/11 era ended, and how the new geopolitics, featuring regional competition and fragmentation, has eclipsed counterterrorism and ushered in new types of warlords.

The five profiled warlords epitomise different facets and dimensions of changing geopolitics and international responses to internal conflicts, and of the calamities and warped governance protracted civil wars bring about:

The story of the *Old Time Spoiler* captures the bitter reality of the lack of alignment between external sponsors and local allies and the speed with which one-time proxies become dangerous sources of instability and readily switch sides, becoming one's enemies.

The story of the *Jihadist with the Khalifa's Blessing* reveals how a decade and a half after 9/11, the rise of regional rivalries in the Middle East led regional powers to downgrade preoccupations with counterterrorism and, despite US preferences, embrace Salafi jihadists as proxies.

The story of the “*Kid Mafioso*” encapsulates the human insecurity dimensions of the brutal internal conflict, featuring the intermingling of criminality with political and religious violence, child soldiers, and the ability of even mafia thugs to develop political capital.

The story of the *Preacher in the Shadows* focuses on the limitations of a favoured counterterrorism tool – high-value targeting and decapitation of the leaders of nonstate armed actors.

And the story of the *Chef of Great Power Competition* highlights the arrival of Russia – and China – to global counterterrorism and (de)stabilisation efforts at a time when the United States has sought to extricate itself from the post-9/11 Global War on Terror and refocus instead on the Asia-Pacific region to counter the rise of China and the renewed global anti-American thrust and aggression of Russia.

Yet even as the United States and the West seek to look away, the power of nonstate armed actors remains undiminished, and in some parts of the world has increased. Some nonstate armed actors, like the Taliban in Afghanistan, have come to power. Many governments around the world have become weaker, with Covid-19 further strengthening the power of nonstate armed actors *vis-à-vis* governments,¹ while the counterterrorism and stabilisation responses of the past two decades have all too often proven inadequate.²

At time of writing, the Houthis – the nonstate armed actor in Yemen whom the remnants of the Yemeni government, Saudi Arabia, the United Arab Emirates (UAE), and the United States at one time battled – have essentially won, even as a panoply of other nonstate armed actors and warlords persists in the country. And unable to escape parochial politics and perpetual crisis-making, Libya once again teeters on the edge of a new phase of civil war.

¹ V. Felbab-Brown, “[The Key Trends to Watch this Year on Nonstate Armed Actors](#)”, The Brookings Institution, 15 January 2021.

² V. Felbab-Brown, “[Nonstate Armed Actors in 2022: Alive and Powerful in the New Geopolitics](#)”, The Brookings Institution, 1 February 2022.

The strategically-located and oil-rich Libya has been in turmoil and conflict since 2011 when the Arab Spring and a NATO air campaign toppled the decades-long terrorism-sponsoring dictatorship of Muammar Gaddafi. Since then, efforts to build a democratic state have struggled and repeatedly dissolved into civil war. Its undulating phases have caused great suffering: more than 20,000 people have died, 200,000 have been internally displaced in Libya, and over 1.3 million have needed humanitarian assistance, while the economy has tanked.³ The country has also become a major route for migrants and refugees primarily from sub-Saharan Africa trying to reach better lives in Europe. But as European countries have shown little willingness to accept these migrants, over 600,000 of them are stuck in Libya,⁴ often in brutal detention centres featuring rape, extortion, and torture and run by Libya's varied warlords.⁵

The civil war has pitted two principal centres of power against each other in a political and violent struggle for Libya's various resources, such as oil: the country's eastern side centred in Tobruk, the western side in Tripoli. Overlaying and intersecting these two broad coalitions are tribal loyalties and conflicts; jihadi terrorism, particularly the expansion and deflation of the Islamic State in the Levant (ISIL), al Nusra and various al Qaeda affiliates; and internal and external warlords and militias, such as from Chad and Sudan. At odds with each other, various regional powers have become critically intermeshed in the conflict.

³ M.A. Daw, Ab. El-Bouzedi, and A.A. Dau, "Libyan armed conflict 2011: Mortality, injury and population displacement", *African Journal of Emergency Medicine*, vol. 5, no. 3), September 2015, pp. 101-07; and B. McKernan, "War in Libya: How Did It Start, Who Is Involved, and What Happens Next?", *The Guardian*, 18 May 2020.

⁴ "IOM Libya Migration Report: Round 38", International Organization for Migration (IOM), July-September 2021.

⁵ I. Urbina, "The Secretive Prisons that Keep Migrants Out of Europe", *The New Yorker*, 28 November 2021.

Even though the United Nations has officially recognised the Tripoli-based Government of National Accord (GNA) of 2015 and the subsequent Government of National Unity (GNU) of March 2021, its Tobruk rivals, under the umbrella of the House of Representatives, have repeatedly rejected the GNA's legitimacy. Supported by Egypt, the UAE, Saudi Arabia, and Russia, and flirted with by France, the House of Representatives and its Libyan National Army (LNA) have repeatedly sought to seize the country's oil reserves and overthrow the GNA in Tripoli. But with the support of Turkey, Qatar, and Italy and the endorsement of Western countries,⁶ the Tripoli government has managed to hold onto power, though its survival has looked bleak at various times.

Ongoing since 2004 and intensely since 2014, the civil war in Yemen has unleashed even more devastating suffering. According to the United Nations, over 150,000 people have been killed in Yemen, while over 227,000 have died from ongoing famine and the collapse of healthcare amidst the war. 4.3 million people have been internally displaced, often repeatedly.⁷

Since 2004, a Zaydi Shia movement known formally as Ansar Allah and more commonly as the Houthis have been fighting Yemen's Sunni-majority government. The rebellion has been fuelled by a sense of long-term economic and political marginalisation of the Zaydi Shias who represent 35 per cent of Yemen's population and by the memories of a Zaydi imamate that ruled Yemen for a thousand years until its overthrow in 1962. In 2009, as part of their rebellion, the Houthis crossed into Sunni Saudi Arabia and the Saudi Army bombed the Houthi forces in retaliation. In 2014, the Houthis seized Yemen's capital Sana and by 2016, much of the country's north.

⁶ For deeper background and the US role in Libya, see J.R. Allen et al., "Empowered Decentralization: A City-Based Strategy for Rebuilding Libya", The Brookings Institution, 11 February 2019.

⁷ "Internal Displacement – A Silent Dilemma on World Refugee Day", *Care*, 20 June 2022.

In addition to the Yemeni government-Houthi fighting, Yemen's civil war has featured a wide plethora of armed actors, militias, and warlords, including Islah, a Sunni party with links to the Muslim Brotherhood, against whom the Houthis have periodically fought, and ISIL affiliates. Alliances and affinities have fluctuated widely, reconstituting themselves along tribal and sectarian cleavages and local economic, criminal, and political interests, and changing external sponsors.

As the civil war intensified after 2014, so did the internationalisation of the conflict. In 2015, a Saudi-UAE-led Sunni coalition organised military intervention against the Houthis. Though embracing a different sect of Shi'ism, Iran and its Lebanese proxy Hezbollah upped the provision of military and financial support to the Houthis, supplementing the Houthis' income from illegal trade and charity donations. During the Trump administration, the United States supported the Saudi-led coalition and its indiscriminate air strikes that were causing high civilian casualties with intelligence, logistical support, and the sale of billions of dollars worth of arms and equipment. In late 2019, without accomplishing its purpose of defeating the Houthis, which by 2022 were stronger than ever, the UAE withdrew its military forces from Yemen, but continued to support anti-Houthi militias through local Yemeni proxies. But the Houthis themselves kept the war internationalised: in September 2019 and again in March 2022, claiming credit for drone attacks against oil installations in Saudi Arabia and in January 2022 attacking the UAE with drones and ballistic missiles likely provided by Iran.

The United Nations has repeatedly tried to negotiate a ceasefire in Yemen. In April 2022, the Yemeni government (and by extension Saudi Arabia) and the Houthis finally agreed on a two-month-long ceasefire, then extending through the end of August 2022. However, other fighting persisted in the country, such as between the Saudi-supported Islah Party and UAE-backed militias known as Giants Brigades and Shabwa Defence Forces.

The Old Time Spoiler

Often leading Tobruk's military efforts to topple the Tripoli governments and heading the LNA is General Khalifa Haftar, the first warlord in this profile. A Cold War old-timer, Haftar epitomises the flimsiness of allegiances in internal conflicts, the unreliability of local proxies, and the risks for long-term stabilisation of empowering the unaccountable enemies of one's enemy.⁸

In the first part of his career, Haftar was Muammar Gaddafi's man, joining Gaddafi's 1969 coup d'état against the Libyan king. Over the following decade, Haftar became a key Gaddafi operative, and in 1980, Gaddafi promoted him to colonel and sent him to clandestinely fight in Chad. After war toils in the sand dunes, Haftar and his 300 men were captured by the Chadians in 1987 while Gaddafi washed his hands of him, eager to deny any Libyan role in the Chadian war. When finally released, the infuriated Haftar dedicated himself to overthrowing the Gaddafi regime and set up a military wing of the National Front for the Salvation of Libya. With the Reagan administration obsessed with getting rid of Gaddafi, Haftar received support from the CIA.⁹

In 2014, after the fall of the Gaddafi regime, Haftar returned from the United States and declared a campaign against "terrorists" in Tripoli and Benghazi. Obtaining backing from the UAE and Egypt and two years later in 2016 from Russia, Haftar set out to fight the ISIL branch in Libya, al Nusra, and Ansar al-Sharia, a Libyan al Qaeda affiliate, all of whom mounted assassinations across Libya, terrorised local populations, and seized various parts of Libya's territory. Haftar's success in driving ISIL, Ansar al-Sharia, and al Nusra from Benghazi created important popular

⁸ See V. Felbab-Brown, "The Dubious Joys of Standing Up Militias and Building Partner Capacity: Lessons from Afghanistan and Mexico for Prosecuting Security Policy Through Proxies", The Brookings Institution, 21 July 2015.

⁹ "Profile: Khalifa Haftar", *Al Jazeera*, 19 April 2018.

support for him in the city, augmenting his Tobruk powerbase.¹⁰

But Haftar included in the category of “terrorists” a wide set of personal political and business rivals and local armed groups affiliated with different political and tribal centres of power, using the counterterrorism cover to attempt to eliminate them and violently alter Libya’s internal power distribution.

Since 2016, Haftar and the Tobruk House of Representatives have rejected multiple iterations of the UN-sponsored GNA in Tripoli and repeatedly launched military offensives against it, eager to accumulate the spoils of war, the country’s resources, and exclusionary political power. One of the bloodiest of such campaigns was launched by Haftar in 2019 when he almost captured Tripoli, an endeavour in which he would have likely succeeded had Turkey not sent troops to Libya to support the GNA.¹¹

In July 2022, a US federal court in eastern Virginia found Haftar guilty of war crimes.¹²

In late August 2022, however, Haftar seemed to play both sides against the middle and mostly stayed out of the fray when Fathi Bashagha, a Misrata-based politician supported by Tobruk’s House of Representatives, launched yet another attack against Tripoli to overthrow the existing Prime Minister and install himself in that role. The August military push set off the worse fighting in Libya since 2019. Once again, the military offensive threatened to tip Libya into another intense phase of the civil war while a prolonged political crisis around delayed elections and deeper unresolved conflicts drags on.¹³

¹⁰ “Khalifa Haftar: The Libyan General with Big Ambitions”, *BBC*, 8 April 2019.

¹¹ C. Gall, “Turkey, Flexing Its Muscles, Will Send Troops to Libya”, *The New York Times*, 2 January 2020; “Timeline: Haftar’s Month-Long Offensive to Seize Tripoli”, *Al Jazeera*, 19 February 2020; and “Turkey Again Extends Mandate for Troop Deployment to Libya”, *The Associated Press*, 21 June 2022.

¹² For details, see H. Pamuk, “Libyan Families File U.S. Lawsuit Accusing LNA Leader Haftar of War Crimes,” *Reuters*; and “US Courts Convicts Khalifa Haftar As War Criminal”, *Middle East Monitor*, 30 July 2022.

¹³ For background, see S.T. Williams and J. Feltman, “Can a Political Breakthrough Mend a Broken Libya?”, *The Brookings Institution*, 17 February 2021.

Since 2014, Haftar, the former anti-Gaddafi Western ally, has become a key spoiler of stability as well as a perpetrator of serious human rights abuses. In a geopolitical switch, he has also become a key platform for Russia to attempt to establish access to Libya's energy reserves and strategic ports, and thus develop a threatening anti-Western presence in the Mediterranean.

The Jihadist with the Khalifa's Blessing

Few Yemeni warlords embody the region's subordination of US-promoted counterterrorism objectives to regional rivalries and local expediencies as well as Abu al-Abbas, the *nom de guerre* of Adil Abduh Fari Uthman al-Dhubhani. In 2017, the Trump administration accused him of being a prominent al Qaeda fundraiser and military instructor as well as fundraiser for ISIL.¹⁴ Yet despite this history and ongoing terrorist activities, al-Abbas had for years been a lynchpin proxy of the UAE in Yemen in the fight against the Houthis. For the UAE, his anti-Houthi battlefield usefulness far eclipsed his Salafi terrorism baggage. Thus, despite the US terrorism designation and the closeness of the United States and the UAE, the Emirates continued to supply Abu al-Abbas with millions of dollars and weapons while at the same time paying other Yemeni Sunni tribes to defect from al Qaeda.¹⁵ Other al Qaeda-linked Sunni tribes battling the Houthis received support from the UAE-Saudi coalition.

There was no reason to be surprised by al-Abbas's al Qaeda proclivities. Growing up in humble conditions, he was brought up in Salafi madrasas in Taiz and the northern Yemeni city of Dammaj, a key hub of Salafi teaching, from an early age.

When in 2011, the Houthis moved to take northern Yemen, including Dammaj, and repeatedly laid siege to the city, al-Abbas

¹⁴ S. Raghavan, "The U.S. Put a Yemeni Warlord on a Terrorist List. One of Its Close Allies Is Still Arming Him", *Washington Post*, 29 December 2018.

¹⁵ Ibid.

became a leader of a Salafi militia in Dammaj to combat the Houthis.¹⁶ He also became the key point of contact for Saudi Arabia in Dammaj and soon the key channel for distributing Saudi and Emirati money for various anti-Houthi groups in northern Yemen.¹⁷ This role also became critical for his ability to become a key powerbroker across the country, in Taiz.

And for a period, Abu al-Abbas continued to pay off the Saudi and UAE investment in him as a key anti-Houthi proxy. With his militia Kata'ib Abu al-Abbas relocated to south-central Yemen. Equipped with heavy arms, deploying between 300 and 2,000 men,¹⁸ and mobilising local tribes, al-Abbas successfully drove the Houthis out of most of Taiz after the Shia rebels seized the city, the cultural capital of Yemen, in 2015. The Salafi coalition he built up in Taiz rapidly developed into a broad network powerbase in the city and surrounding areas. Through access to local legal and illegal economies, such as antiquities looting and smuggling,¹⁹ and various socio-economic handouts, the Abu al-Abbas military-political organisation saw its political capital in the destroyed city grow while the Yemeni government remained absent from the metropolis.

But after pushing the Houthis to the city's outskirts – including (problematically, for the anti-Houthi coalition) the industrial zones on the key outskirts and key road chokepoints where the Houthis have been economically and strategically very comfortable²⁰ – the anti-Houthi forces turned on each other. Despite the close strategic alliance between Saudi Arabia and the UAE, their local proxies began battling each other. The UAE continued supporting al-Abbas, but in yet another bizarre

¹⁶ N.A. Heras, “Securing Southern Yemen for the UAE: Abu Al-Abbas and the Battle of Taiz”, *Militant Leadership Monitor*, vol. 9, no. 5, The Jamestown Foundation, 6 June 2018.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ A. Ashour, “Yemen's Parties to the Conflict Compete to Loot Taiz Antiquities”, *The Middle East Monitor*, 29 September 2021.

²⁰ M. al-Madhaji, “Taiz at the Intersection of the Yemen War”, Sa'ana Center for Strategic Studies, 26 March 2020.

twist, Saudi Arabia embraced its principal Taiz rival – the Islah Party, drawing its origins and affinities from the Muslim Brotherhood which Saudi Arabia had fiercely opposed in Egypt. Qatar's support for the Muslim Brotherhood had also caused a major regional rift between Saudi Arabia and UAE, on the one hand, and Qatar on the other. Yet in the strategic south-west corner of Yemen, Saudi Arabia was supporting a Muslim Brotherhood affiliate against a pro-al Qaeda Salafist UAE proxy. Local politics eclipsed even regional strategic coalitions and deep-seated ideological resentments.

For a while the most powerful local actor, al-Abbas, continued paying off the UAE's support with advocacy for the UAE's role in the Yemen war and was expected to become a lynchpin of the UAE's security belt in southern Yemen.²¹ But his fortunes withered, especially after the UAE withdrew its forces from Yemen. Continuing to build up his rival al-Islah, Saudi Arabia was also rumoured to have nudged the United States to designate al-Abbas as a terrorist to advance the interests of its local allies.²² By December 2019, the Saudi-aligned Islah defeated the Abbas Brigades in Taiz and pushed them and their leader out of the city, relegating them to a minor position in the western side of the Taiz Governorate.

The “Kid Mafioso”

But the Islah Party military coalition in Taiz has itself been far from unified, and its various factions have triggered conflict with other political and militia actors in Taiz. Even as its military wings have fought over the city's legal and illegal economic turfs, Islah has at the same time played a mediating role between the city's militias and crime gangs.

Among the most notorious of these gangs is the militia group of Ghawan al-Mekhlafi. Al-Mekhlafi rose to its leadership,

²¹ Heras (2018).

²² Ibid.

commanding hundreds of men, and becoming one of the most powerful men in the city before he was 18.

Humanitarian actors in Yemen have documented at least 3,500 child soldiers, recruited by all sides of the conflict.²³ With famine and disease ravaging the country for several years and a shredded economy that was already among the poorest in the world before the civil war, desperate families in Yemen increasingly resorted to allowing their pre-teen sons to head for the battlefield frontlines – one of the many devastating elements of the civil war brutalities. But unlike Ghawan al-Mekhlafi, few rose to the ranks of military commanders and crime bosses. They did not have Ghawan's lineage or ruthlessness.

Al-Mekhlafi grew up in a military family and, allegedly, since the age of ten exhibited little interest in school or lawful work, drawn instead to weapons and chewing qat.²⁴ In 2015, when less than 15, al-Mekhlafi began fighting with the anti-Houthi forces of his uncle Sadeq Sarhan, a prominent Islah commander in Taiz. Within less than two years and with the hereditary title of a sheikh from one of the most powerful clans in Taiz, the Mekhlafs, al-Mekhlafi came to lead his own militia group and one of the most notorious crime gangs in Taiz, involved in widespread extortion, antiquities looting, as well as other illegal economies. Travelling in the city with convoys of armed fighters, he did not run his extortion rackets with a gentle hand, often demanding "taxes" as high as fifty per cent even from street sellers earning \$3 or less a day. And he was willing to undergird his extortion demands with savagery.

Of slight build, often shorter than the adults around him, al-Mekhlafi also managed to build authority based on more

²³ "New Action Plan to Strengthen the Protection of Children Affected by Armed Conflict in Yemen Signed with the Houthis", The United Nations Office of the Special Representatives of the Secretary-General for Children and Armed Conflict, 18 April 2022; and "Yemen Houthis Will Stop Using Child Soldiers, the U.N. Says", *The Associated Press*, 19 April 2022.

²⁴ "The Teen Warlord Who Runs Yemen's Second City with Fear", *The Middle East Eye*, 27 November 2018.

than violence and fear, arbitrating disputes among some of the armed factions in the city and dispensing conflict resolution and justice, however rough and unaccountable, to the city's residents. A kid mafia thug, he also built up political capital.

Both his street power and familial connections also cloaked him in a mantle of protection from the vestiges of formal authority in the city, such as the police. Mostly, the police did not dare interfere with him, and when occasionally they would arrest him when he turned the city into a particularly intense shooting gallery, they would rapidly release him afterwards. Abu al-Abbas also tried to capture him before being booted out of the city – the result being several months-long fighting between al-Mekhlafi's and al-Abbas's forces and dozens dead and hundreds injured, including many civilians.

As the Salafist al-Abbas beat it out of town, al-Mekhlafi's beardless kid face came to represent one of the many brutalities and complexities of human insecurity in civil wars like Yemen.

The Preacher in the Shadows

Unlike many of the flashy anti-Houthis militia commanders and powerbrokers, the leader of Ansar Allah and the Houthi religious leader, Abdul-Malik Badreddin al-Houthi, kept himself to the shadows, even as he built up and ran a highly successful rebellion.

It is astounding how little is known about his life, despite the efforts of Middle Eastern and Western intelligence agencies and journalists to uncover more about him. The lack of insights into Abdul-Malik is also emblematic of the Houthis' tight operational security and the fact that their decision-making still remains a blackbox for regional and outside intelligence agencies. He is the youngest of eight sons of Badreddin al-Houthi, a prominent religious Zaydi scholar. His brother Hussein founded the al-Houthi movement to promote Zaydi thought and revivalism, deliver services to the Zaydi minority, and resist the oppression of Yemen's Sunni political class. Even

while serving in the Yemeni parliament before the war, Hussein became a prominent critic of President Ali Abdullah Saleh. In 2004, the Yemeni police first arrested hundreds of Hussein's followers and then after months of violent clashes with the movement, announced that Hussein al-Houthi had been killed. But instead of quelling the rebellion, the death of the leader only spurred far more organised and violent rebellion against the Yemeni government.

In 2005 Abdul-Malik became the Houthis top leader, while his brother-in-law Youssef al-Midani became his deputy and his brothers Yahia and Adbul-Karim senior leaders.²⁵

In April 2015, the US Treasury imposed sanctions on Abdul-Malik al-Houthi for engaging in acts that “threaten the peace, security, or stability of Yemen”,²⁶ while the United Nations Security Council imposed an arms embargo against the Houthis and blacklisted Abdul-Malik. On 10 January 2021, the Trump administration designated the Houthis as a terrorist group, a move that would have critically jeopardised the delivery of humanitarian aid to the country in famine, but a month later, the Biden administration removed that designation while the 2015 sanction on Abdul-Malik and a Trump terrorist designation of Abdul-Malik remained in place.

The temptation to decapitate the movement's leadership has remained since the onset of the war. Abdul-Malik had been subjected to repeated efforts to assassinate him, a reason he has kept himself in the shadows: in December 2009, he was alleged to have been severely injured and killed in heavy Saudi air strikes in Yemen, though his subsequent TV interviews refuted the claim.²⁷ In January 2022, rumours again surfaced that he had been killed, but once again, subsequent videos, including

²⁵ M. Almeida, “[Profile: Who Are Yemen's Houthis?](#)”, *Al-Arabiya News*, 8 October 2014.

²⁶ U.S. Department of Treasury, “[Press Release: Treasury Sanctions Instigators of the Violent Takeover of Yemen](#)”, 14 April 2015.

²⁷ J. Levs, N.P. Walsh, and L. Smith-Spark, “[Yemen's President 'Has No Control' as Houthi Revels Storm Palace](#)”, *CNN.com*, 20 January 2015.

from 1 September 2022, suggest that he is still alive and in command of Ansar Allah.²⁸

The story of Abdul-Malik and Hussein al-Houthi well embodies the preoccupation with and limitations and problems of one of the key counterterrorism techniques: high-value targeting. Built around the notion that decapitating the leaders of terrorist, militia, and criminal groups will defang a group's operational capacity and make it easier to defeat, high-value targeting has been applied across the wars in Iraq, Afghanistan, Somalia, Lebanon, Syria, Colombia, Nigeria and beyond and areas of intense and war-like violent criminality, such as Mexico.

There are often basic moral reasons to eliminate the leaders of terrorist groups who cannot be brought to justice at a trial – such as killing al Qaeda's leaders Osama bin Laden and Ayman al-Zawahiri.²⁹ Such kills may also sometimes succeed as deterrent shots across the bow of a nonstate armed actor whose behaviour the international community seeks to shape and deter from the most dangerous acts.

Yet the other promises of high-value targeting, namely sapping the potency of armed nonstate actors, have rarely panned out.

The Chef of Great Power Competition

A commitment to avoiding civilian casualties and complying with other rules of war or paying even mere lip service to such considerations have been altogether absent from the repertoire of the last warlord profiled in this chapter, Yevgeny Prigozhin, the funder of a Russian private security company and a

²⁸ A. Hamad, “Houthi TV Uses Misleading Old Interview of Abdul-Malik al-Houthi amid Death Rumors”, *Al Arabiya English*, 26 January 2022; and “Military Parade Boost Morale, Send Message to Enemies: Al-Houthi”, *Al Mayadeen English*, 1 September 2022.

²⁹ V. Felbab-Brown, “What Ayman al-Zawahiri's Death Says about Terrorism in Taliban-Run Afghanistan”, The Brookings Institution, 2 August 2022.

clandestine Moscow proxy – the notorious Wagner Group. In fact, the Wagner Group's sales pitch in the wars in Libya, Mali, Central African Republic, Syria, and Mozambique³⁰ is that its counterterrorism and counterinsurgency services come without the Western constraints of legal and human rights compliance. Nor are they saddled with promoting political and economic pluralism and inclusion. The Wagner Group's anti-militant strategy is one of brutality à la the 1990s Chechnya wars. This attrition, maintained over many years if necessary, seeks to grind down the will and capacity of the opponent and separate the militants from community support, by intimidating, brutalising and displacing local populations.³¹ For its systematic human rights abuses, the European Union imposed sanctions on the Wagner Group in December 2021.³² The Wagner Group has also been selling its praetorian guard services and willingness to suppress any political opposition to thuggish leaders from the Malian and Sudanese juntas to warlords such as Haftar and conducting disinformation campaigns to prop up problematic regimes throughout the Sahel, Africa, Venezuela and beyond.³³

In exchange, the Wagner Group seeks not just financial payments, but also access for the Russians to strategic locations and valuable resources.³⁴ In fact, those imperatives, such as

³⁰ For details on the Wagner Group's activities in those countries, see C. Faulkner, "Undermining Democracy and Exploiting Clients: The Wagner Group's Nefarious Activities in Africa", *CTC Sentinel*, vol. 15, no. 6, June 2022, pp. 28-37.

³¹ For the abuses of the Wagner Group, see, for example, Human Rights Watch, "Central African Republic: Abuses by Russia-Linked Forces – Killings, Torture of Civilians", 3 May 2022; and C. Doxee and J. Thompson, "Massacres, Executions, and Falsified Graves: The Wagner Group's Mounting Humanitarian Cost in Mali", Center for Strategic and International Studies, 11 May 2022.

³² Council of the European Union, "Press Release -EU imposes restrictive measures against the Wagner Group", 13 December 2021.

³³ F. Saini Fasanotti, "Russia's Wagner Group in Africa: Influence, Commercial Concessions, Rights Violations, and Counterinsurgency Failure", The Brookings Institution, 8 February 2022.

³⁴ K. Marten, "The GRU, Yevgeny Prigozhin, and Russia's Wagner Group: Malign Russian Actors and Possible U.S. Responses", Testimony before the Committee on Foreign Affairs Subcommittee on Europe, Eurasia, Energy, and

inserting itself into local gold extraction and international smuggling to generate income for and prop up the sanctions-saddled Russian regime, have often eclipsed the Wagner Group's counterterrorism activities – as is visible in Mali and Sudan.³⁵ In the spring and summer of 2022, Brazilian and Colombian law enforcement officials also alleged in conversations with me that the Wagner Group is participating in gold and drug trafficking in Venezuela.

Libyan security and government officials too, in conversations with me in February 2022, claimed that the Wagner Group was deeply involved in antiquities smuggling in Libya.³⁶ Meanwhile, some of the Wagner Group's counterterrorism missions have already ended up as inglorious failures, such as its efforts in Mozambique to weaken al-Shabab jihadists there.³⁷ Hundreds of Russian mercenaries, including from the Wagner Group, were killed in 2018 in Syria in clashes with the US military in a failed effort to seize an oil refinery.³⁸

In Libya, Russia and its Wagner Group proxy have thrown their support behind Haftar to secure for Russia access to the Mediterranean out of Haftar's controlled eastern territories. In turn, during one of the bloodiest battles of the Libyan war in 2019, several hundred Wagner Group mercenaries joined Haftar in the effort to seize Tripoli.

the Environment United States House, 7 July 2020; and K. Marten, "Russia's Use of Semi-State Security Forces: The Case of the Wagner Group", *Post-Soviet Affairs*, vol. 35, no. 3, 2019.

³⁵ N. Elbagir et al., "[Russia Is Plundering Gold in Sudan to Boost Putin's War Effort in Ukraine](#)", *CNN.com*, 29 July 2022.

³⁶ For background on the Wagner Group in Venezuela, see M. Tsvetkova and A. Zverev, "[Exclusive: Kremlin-linked Contractors Help Guard Venezuela's Maduro – Sources](#)", *Reuters*, 25 January 2019.

³⁷ For details on Mozambique, see "[Stemming the Insurrection in Mozambique's Cabo Delgado](#)", International Crisis Group (ICG), Africa Report no. 303, 11 June 2021.

³⁸ T. Gibbons-Neff, "[How a 4-Hour Battle Between Russian Mercenaries and U.S. Commandos Unfolded in Syria](#)", *The New York Times*, 24 May 2018.

So, what man is Yevgeny Prigozhin, the new face of warlordism from Ukraine and Mali to Sudan and Venezuela, in the midst of the new Great Power Competition between the United States and Russia and China?

Prigozhin has been nicknamed “Putin’s chef” not only because, with less than plausible deniability, he has been cooking up Russia’s nefarious activities around the world, but also because he actually started his career in the catering business. That is after serving nine years in prison in the Soviet Union in the 1980s for robbery and fraud.³⁹

After release, Prigozhin began selling hotdogs at a street stand. But soon, his criminal background gave him an edge in the Wild East of Russian business in the 1990s. Mafia tactics and skills, such as the capacity to aggressively intimidate and fend off competition, often underpinned the success of Russian businessmen at that time. Prigozhin’s hotdog stands grew into a large catering business, of which his Concord Catering is one facet. His big breakthrough came when he managed to land the contracts to provide food for the Russian military and school cafeterias.⁴⁰ As the money began rolling in, Prigozhin opened not only luxury eateries, such as the floating restaurant in St. Petersburg where he famously served Vladimir Putin and earned himself the nickname Putin’s chef, but branched out into various other businesses and established shadowy companies around the world – meanwhile developing a taste for riches and opulence.

After 2010, Prigozhin turned his catering and other business profits into funding Russian private security groups, most notoriously the Wagner Group which made its first appearance in 2014 when it assisted Russia in annexing Crimea before spreading across Africa. Western analysts rapidly saw links between the Wagner Group and the Russian intelligence

³⁹ “Powerful ‘Putin’s Chef’ Prigozhin Cooks Up Murky Deals”, *BBC.com*, 4 November 2019.

⁴⁰ L. Harding, “Yevgeny Prigozhin: Who Is the Man Leading Russia’s Push into Africa?”, *The Guardian*, 11 June 2019.

services, such as the Chief Intelligence Office (GRU), and special operations forces, such as Spetsnaz, although both the Kremlin and Prigozhin have long denied any such links and Prigozhin has often denied even the existence of the Wagner Group.⁴¹

With Putin's nod, explicitly and publicly delivered by the Russian President even as the Kremlin has officially denied any connections to the Wagner Group, Prigozhin was able to get away with funding the Wagner Group despite the fact that Russian laws ban private security companies.⁴²

Prigozhin's pro-Kremlin anti-Western efforts did not just include the Wagner Group. He also started the Internet Research Agency (IRA), whose disinformation campaigns have spread propaganda, meddled in elections, including in 2016 and 2018 in the United States, and exacerbated political polarisation and violence around the world. For these roles, the US Treasury has imposed sanctions on Prigozhin's Concord Catering (which he used to fund both IRA and the Wagner Group) and on his IRA associates and indicted him on a variety of criminal charges in 2018.

Prigozhin has other extensive dealings with the Kremlin and the Russian defence ministry, such as operating a pro-Kremlin media group, the Patriot.⁴³

And the Kremlin connection has been vital for Prigozhin's career as a global lord of war.

In that way, Prigozhin represents the evolution of Russian oligarchs: many rose to economic power in the 1990s as thieves and mafia gangsters, their exploits undermining the Russian state. But during the 2000s, the oligarchs that remained successful were the ones who allowed themselves to be tamed by Putin. They transformed themselves not just into polished

⁴¹ M. Ilyushina, "In Ukraine, A Russian Mercenary Group Steps out of the Shadows", *Washington Post*, 18 August 2022.

⁴² Z. Perovic, "What Laws Constrain This Russian Private Military Company?" *Lawfare*, 23 March 2021.

⁴³ "Powerful 'Putin's Chef' Prigozhin Cooks Up Murky Deals"... cit.

businessmen-thugs, but into polished businessmen staunchly subservient to Putin and promoting the Kremlin's authoritarian and anti-Western agendas. And it was that connection that allowed them to continue getting away with violating laws.

Russia's struggles in its invasion of Ukraine have pushed the Wagner Group out of the shadows. The Wagner Group has set up headquarters in the occupied Luhansk district to provide a variety of military services to Russia in its effort to seize Ukraine, including apparently flying air strikes against Ukraine.⁴⁴ In spring and summer 2022, the paramilitary group embarked on a glitzy public recruitment campaign, with Prigozhin himself touring Russian prisons for recruits and offering convicts presidential pardons if they signed up to fight in Ukraine, no doubt with vivid memories of his own past.⁴⁵ Allegedly though, he has at least publicly disavowed hiring for the Wagner Group those sentenced on terrorism, rape, or drug smuggling charges.⁴⁶ Any such recruits are liable to further compound the Wagner Group's egregious human rights violations, while also likely to reduce the fighting capacities of the group whose original fighters and leaders often had backgrounds in Russia's elite military units.

Conclusion

This portrayal of the five warlords from Libya and Yemen captures the changing landscape of global efforts against nonstate armed actors and the various challenges and complexities these efforts have encountered. The portrayal also highlights the suffering and threats to human security that lengthy internal militancy brings.

Although the United States, especially after the Russian invasion of Ukraine, wants to focus on other issues and no

⁴⁴ Ilyushina (2022).

⁴⁵ Ibid.

⁴⁶ Ibid.

longer has the motivation to engage in protracted large-scale military deployments *à la* Iraq and Afghanistan, many nonstate armed actors remain powerful. Yes, the core al Qaeda of the 1990s and ISIL of the 2010s are both severely weakened. But local nonstate armed actors remain powerfully entrenched and some are more powerful than a decade ago – be they the Islamic State’s West Africa Province in Nigeria and the Lake Chad area, al-Shabaab in Somalia, or the Houthis in Yemen. Meanwhile the Taliban has also returned to power.

Amidst this landscape, the increasingly necessary thrust of international policies for dealing with nonstate armed actors ought not to be geared solely to their elusive suppression, but rather toward shaping them to cause less threat and harm. And this shaping also needs to be applied to the nominally “partner” governments and militias that are principally supposed to be countering them, while often hosting lords of war in their ranks.

3. Armed Groups, Oil Revenue and Energy Infrastructure

3.1. Libya's Shadow Statelords: War, Peace and the Predation of the Oil Sector

Anas El-Gomati

Over a decade has passed since the 17 February Libyan revolution, and the disintegration of the Gaddafi regime's centralised state into a fractured post-revolution state characterised by political divisions, repeated civil wars, and an economy of predation.

Much of the commentary over the past decade has focussed on the role of armed groups in Libya's collapse and its consequence: the division of the country and the repeated failure to build a unified state in Libya. It has led to an oversimplification of the relationship between the State and armed groups in Libya, and the belief that rival factions could either enjoy the loyalty of a "*military*" or the disloyalty of a "*militia*". This transformed the collective understanding of armed groups in Libya into a rigid binary of subservience or rejection of the state. The reality is that since 2011, many of the major armed groups have demonstrated an entirely different behaviour across the political divide, viewing the state not as a set of institutions to be served or disobeyed, but as a prize to be won. For many armed groups – though not all – this has rendered affiliation and loyalty to the

rival factions and their political objectives as a fluid means to a defined end: discrete control over institutions and infrastructure irrespective of the political order to extract astronomical rents and wealth. The battle over Libya's infrastructure took place against a backdrop of widespread political, social and economic marginalisation, offering armed groups the opportunity to exploit socio-political grievances for economic greed. Libya's repeated conflicts and interim governments have given armed groups the opportunity to enter the state through the backdoor. Foreign actors and political factions alike tend to employ unusual tactics to take strategic control of the state and its resources. From Benghazi in the east to Tripoli, the capital in the west, foreign actors and rival governments engaged in bitter conflict and competition have not only divided the country's sovereign political and financial institutions, but also created an environment conducive to warlords and armed groups to take control of the state and its vast resources. The battle today in Libya is on multiple fronts: critical infrastructure to exploit, sovereign institutions to extort and diplomatic initiatives to subvert. Libya's oil infrastructure and supply routes remain the key prize on the ground for armed groups and political factions to project their power and blackmail the state so as to extract its wealth legally or through illicit means. Libya's institutions that dispense with oil receipts have become eroded and extorted by shadow groups who have traditionally used the urgency of conflict as a smoke screen to bend and break their financial integrity. However, none of this would be possible without external sponsors. Foreign actors have played a critical role in propping up warlords behind the scenes in a battle for their own geostrategic influence and dominance in the short term, whilst transforming warlords into state lords through diplomacy in the long term. For many armed groups, the notions of war and peace are little more than opportunities for a new cadre of warlords to exploit the chaos and conditions to strengthen their hold on the state, its infrastructure and institutions. The fog of war allows for the looting of state institutions by armed groups

under a political imperative of survival at all costs, whilst the conditions of peace have become even more lucrative, as foreign and armed actors exploit the peacebuilding process to negotiate their discrete influence into the state.

2011-2014: From Revolutionaries to Rogues

The slow transformation of Libya's revolutionary armed groups from external non state actors challenging the state to rogue state sanctioned forces that internally drained it began in the time between Libya's first democratically elected government in July 2012 until the beginning of the first post-Gaddafi civil war in May 2014. The National Transitional Council (NTC), Libya's revolutionary authorities in 2011 that sought to bring down the Gaddafi regime, had been faced with the challenge of how to deal with the very armed groups they had backed with weapons following the demise of Gaddafi. A process began to take control of revolutionary armed groups and bring them under the nominal legitimacy of the NTC and later the General National Congress (GNC), Libya's first democratically elected parliament and government in July 2012. The NTC established the Warriors Affairs Commission in the hope of eventually disarming revolutionaries and integrating them into the state. However, the NTC decided to put the revolutionaries on the state's payroll; as a consequence, their numbers mushroomed from around 25,000 fighters estimated to have fought during the revolution to an outlandish 200,000 or more registered fighters a year later.¹ The NTC's decision created a new dynamic and set a dangerous policy precedent, as the State became a pull factor for the mushrooming of armed groups. Despite hopes that an elected government in 2012 would fare better, the GNC was chronically divided between rival political factions. The nascent political leadership, inexperienced and facing a huge learning curve, attempted

¹ Y. Sayigh, "[Crumbling States: Security Sector Reform in Libya and Yemen](#)", Carnegie Middle East Center, 2015.

to bring the groups under the nominal control of the nascent ministries of Defence and Interior, creating the Libyan Shield as a parallel military and the Supreme Security Committee (SSC) as a parallel police force.² The programme was given little time to be implemented, and the government became little more than a cash dispenser to warlords who had used the opportunity to draw in unemployed youth to form their own new and powerful post-revolutionary armed groups, whilst having the luxury of the Libyan state to pay for their creation. These armed groups began to compete with each other over control of critical infrastructure and public institutions, where they began to interact with regular citizens in their day-to-day lives. Armed groups took over banks, airports and even hospitals – claiming to provide public security to improve their image, whilst extracting further kickbacks from the bodies they were tasked with securing. At times these groups would engage in fighting or kidnap civilians, earning a reputation for unruly behaviour. Where there was pushback by ordinary civilians, the armed groups would claim revolutionary legitimacy. This would sow the seeds of public discontent against armed groups, which reached fever pitch following several clashes at protests against the presence of militias in the capital and the assassination of activists in Benghazi in late 2013 and early 2014. This paved the way for Khalifa Haftar to launch a failed coup he rebranded as “Operation Dignity” in the hope of capturing popular dissatisfaction as a pretext for a power grab. “Dignity” established the Libyan Arab Armed Forces (LAAF), rebranding many of the same unruly armed groups into a self-styled army that declared a war on terror against a minority of al Qaeda affiliated groups, but also revolutionary armed groups *en masse* operating under the SSC and Libya Shield, in addition to civilians who opposed them. In the process, the country was plunged into a brutal civil war that took armed groups from social pariahs to the most in demand political commodity.

² F. Wehrey and P. Cole, “[Building Libya’s Security Sector](#)”, Carnegie Endowment for International Peace, 6 August 2013.

The Fog of War: Survival and Subversion

The 2014 civil war divided Libyan political, economic and security institutions between pro-Haftar ‘Dignity’ forces under the emblem of the LAAF in the East and a fractured coalition of anti-Haftar forces – labelled “Operation Dawn” in the West. It was the first chapter in Libya’s formal institutional fragmentation, carving a division in the country between rival parliaments, governments, and branches of the Central Bank in Tripoli in the west, and Al Bayda in the east. The narrative and conditions of Libya’s first “civil war on terror” were zero-sum and advantageous to armed groups: you’re either with us, or against us. Haftar labelled his opponents terrorists, refusing dialogue or ceasefires, whilst his opponents labelled him a putschist, ensuring no option but war was on the table and elevating the status of armed groups. These conditions transformed the relationship between political factions and even the most predatory armed groups into a relationship of convenience at best and a necessary evil at worst; for the rival political factions, this meant surviving at any institutional or financial cost. Behind the divisions separating the two rival factions, a new war had begun, not between the rival political factions, but for a race to control the financial institutions within each coalition. Against the backdrop of war and contested legitimacy, armed groups became indispensable tools for political institutions in a battle of survival, exploiting their weakness at their time of need, and removing the option for a Disarmament, Demobilisation and Reintegration (DDR) process. As the war dragged on and the institutional divisions became more pronounced, a powerful sense of political urgency to finance armed groups by all formal or informal means necessary began to take root. The Libyan central bank was forced to pay for all of the rival political, economic and military factions that had registered their fighters. As public spending ballooned, the black market value of the Libyan dinar began to tank, and the realities of war set in as the central bank froze

development and infrastructure projects, and limited spending to salaries, petrol and essential food items, which it subsidised through letters of credit to import businesses.³ Letters of credit became lucrative as they offered to exchange Libyan dinars for US dollars at the official rate of 1 US dollar for 1.3 dinars rather than 1 to nearly 11 at the black market rate at the peak of the conflict. Armed groups in Tripoli, who had exploited the conditions of war, exploited the economic arbitrage. Haithem Tajouri, a leader of the Tripoli Revolutionaries Brigade that was established in 2011, outmanoeuvred rival armed groups and successive governments in the capital to position himself as a key figure within the State. Tajouri controlled a vast territory from eastern to downtown Tripoli, but was also able to provide security to public institutions, including a number of banks. Tajouri was able to befriend, bribe or extort employees of commercial banks, leveraging his military strength to apply for letters of credit from a number of Tripoli banks.⁴ Tajouri propped up businessmen behind shell companies lacking proper documentation for plausible deniability and is believed to have extorted millions of US dollars through fraudulent acquisition of letters of credit as a result. Whilst fraud remains one way of accessing the central bank, more direct approaches exist. In 2017, following the end of the Benghazi war, the LAAF was unchallenged. Khalifa Haftar's son Saddam, who established the 106 brigade as a praetorian guard to protect his father and keep the smaller tribal armed groups of the LAAF under control, entered the eastern branch of the Central Bank and walked out with over half a billion US dollars in multiple currencies and silver coins, one of the largest bank heists in history.⁵ In both cases, armed groups were able to discretely

³ U. Laessing, "Libya Edges Closer to Economic Collapse as Currency Dives", *Reuters*, 1 June 2015.

⁴ "Haithem Tajouri Named in UN Report for Financial Fraud and Human Rights Infringements", *Libya Herald*, 17 March 2016.

⁵ "Haftar's Son Moves Millions from Central Bank of Libya", *Middle East Monitor*, 14 September 2018.

leverage their military strength as the civil war shifted priorities to either subvert state institutions or simply loot them.

Shadow Statelords: Infrastructure and Influence

Libya's economy is heavily dependent on the oil sector. Oil receipts account for nearly 95% of the country's budget, with between 60-80% of the country's workforce on the public payroll: oil remains the backbone of the economy, whilst paradoxically fuelling the conflict that brought it to its knees.

The country's nascent private sector exists in theory behind a facade of small and medium retail and commercial enterprises, but in practice Libya's most lucrative industry is the illicit smuggling of commodities by a network of warlords and armed groups. Subsidised commodities and goods available in Libya, particularly refined fuel imported and paid for by the Libyan state ostensibly for the benefit of its citizens, are smuggled by a complex network of traders and traffickers into neighbouring countries to be sold for a profit, at the cost of Libya's ordinary citizens who wait from hours to weeks in queues for fuel. Uninhabitable areas across the Sahara hosting Libya's critical infrastructure of pipelines and remote crossing points quickly became enviable pockets of territory following the fall of the Gaddafi regime, as revolutionary armed groups staked their claim to exploit the early disorder. Libya's National Oil Corporation estimated that 30-40% of Libya's imported fuel is stolen and sold on the black market or smuggled out of the country at an estimated cost of USD 750 million,⁶ much of which makes it back into the hands of the very armed groups tasked with the security of Libya's critical infrastructure. Whilst this smuggling remains an important aspect of wealth extraction by armed groups, it is also a means of influence. The bulk of Libya's socio-economic infrastructure has long been fought over

⁶ "Fuel Smuggling Costing Libya \$750 Million a Year- Oil Chief", *Africanews*, 19 April 2018.

by a variety of armed groups, social, and ethnic constituents eager to acquire leverage over the government.

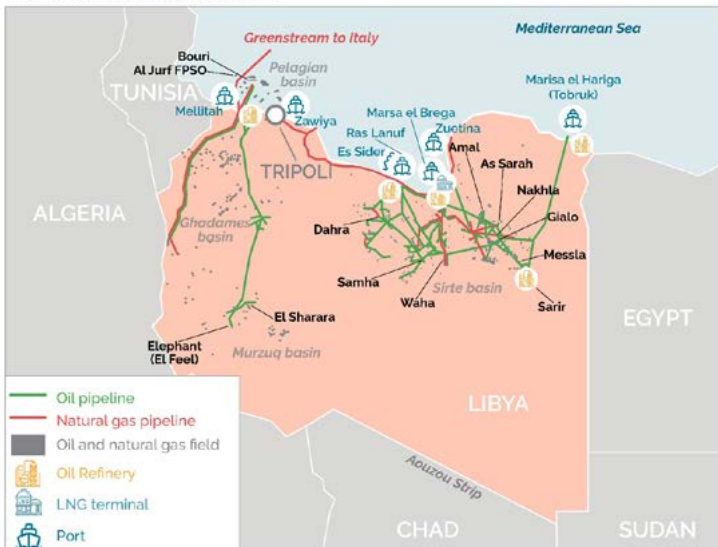
Disruption to Libya's oil and gas production had become the norm in the early post revolution years, but was not limited to the energy infrastructure. Bolstered by widespread socio-economic grievances across the country and a prevailing narrative of political marginalisation by the centralised authority in Tripoli, protestors would often turn to disrupt Libya's infrastructure and secure concessions from Tripoli. In 2013, vulnerable ethnic groups, for instance the Tebu, disrupted operations at the Sarir power station, turning the lights off in much of eastern Libya to secure their activists an audience with the Tripoli administration to request that their town, Rubyana, be linked to the national electricity grid.⁷ The Megarha tribe in the south blockaded Libya's water supply for 72 hours to secure the release of the daughter of Libya's former intelligence chief Abdullah Senussi after her abduction in Tripoli.⁸ Protests were not limited to tribes or ethnic groups. Even a group of striking teachers disrupted one of Libya's refineries in Zawia in order to secure long-delayed payments to the education sector. This evidences a widespread tendency to rely on this technique to accelerate the demands of any social, ethnic or professional group to the top of the Government's agenda. However, it was not until the summer of 2013 that a new pattern of behaviour became the new normal. Ibrahim Jadhran's Petroleum Facilities Guard, (PFG) a militia group tasked with protecting Libya's oil terminals, sustained a blockade of the terminals and transformed Libya's infrastructure into a political bargaining chip to gain political access to the state.

⁷ "Sarir Power Station Protestors Meet with Zeidan", *Libya Herald*, 17 December 2013.

⁸ "Man-Made River 'Cut'; Western Libya Could Face Water Shortage", *Libya Herald*, 3 September 2013.

Libya's oil and gas

Fields and infrastructure



Source:
U.S. Energy Information Administration

ISPI

Foreign Support: From Warcraft to Statecraft

Jadhran's blockade would cost the Libyan government and NOC billions of dollars in losses, but the Skhirat process, brokered by the United Nations in 2015 under their former envoy to Libya Bernardino Leon, would end up costing more. In December 2015, Leon established a Presidential Council (PC), an executive nine-member body to lead the Government of National Accord, whose composition was selected on the basis of inclusivity and representation of Libya's warring rival parties. Leon appointed Fathi Al Majbari, an associate of Ibrahim Jadhran, as one of PC's deputy Presidents, in order to secure his buy-in to the GNA in

the process, setting a precedent to accommodate warlords. Leon's decision formally crossed a political threshold: spoil a little and you will secure political concessions, spoil a lot and you will secure a portion of the state. Jadhran's transition to a shadow state lord would be short-lived as he lost control of the PFG and the oil crescent following their negotiated defection to Khalifa Haftar in 2016, who would go on to win control of much of Libya's oil infrastructure between 2016 and 2018. Haftar, like Jadhran, was also given a deputy presidency post in the GNA's PC through Ali Qatrani in 2015 but was not satisfied with the inclusion of Qatrani to access the state indirectly. Haftar instead used his foreign sponsors for military and diplomatic support to wrestle control of Libya's oil and its state. In 2017 and 2018, the United Arab Emirates (UAE) offered diplomatic and military support via the private military contractor Erik Prince, formerly of Blackwater, to assist Haftar's takeover of Eastern Libya including the oil crescent.⁹ Prince's men established the UAE's airbase Al Khadim in eastern Libya, and are alleged to have used Chinese drones and converted air tractors to assist in Haftar's takeover of the oil crescent and his expansion and encroachment into the GNA's territory. At the same time, the UAE convened bilateral negotiations between Haftar and the President of the GNA Faiez Serraj in Abu Dhabi.¹⁰ As the UAE assisted Haftar in increasing his military grip over Libya's territory, he would negotiate an attempt to institutionalise the LAAF and form a new interim government to become Libya's joint President, completing his transition from warlord to statelord. Negotiations would drag on, and Haftar would launch a power grab on the GNA in Tripoli on 4 April, 2019, supported militarily by the Wagner Group a militia used by the Kremlin to protect its own interests all over the world. The takeover effort was thus paid for by the UAE but discreetly controlled by the

⁹ A. Delalande, "Erik Prince's Mercenaries Are Bombing Libya", *War Is Boring*, 14 January 2017.

¹⁰ "Ghassan Salame Hosts a Meeting between PC President Fayeze Serraj and LNA Chief Khalifa Haftar", UNSMIL, 28 February 2019.

Kremlin.¹¹ Haftar's offensive capitulated following Turkey's last-minute drone offensive against the Wagner group to prop up the GNA in May 2020. However, the Wagner group withdrew from the suburbs of Tripoli to occupy Libya's oil facilities in order to later use them as a bargaining chip in negotiations.¹² Despite President Vladimir Putin claiming the Wagner Group did not represent the state,¹³ the GNA's Deputy Prime Minister Ahmed Mitig travelled to Moscow to begin negotiating an end to the blockade by Moscow's mercenaries in exchange for a "committee to establish fair distribution of oil revenues".¹⁴ Russia's use of a mercenary group to blockade Libya's oil illustrates the great lengths external actors are willing to go to prop up warlords in their quest to access the Libyan state. However, it is not the only way, and certainly not the most audacious. Russia was able to finance much of Libya's civil war at almost no cost. Despite Russia's official recognition of the former GNA in 2015, Moscow quietly violated the GNA's financial sovereignty, illegally manufacturing counterfeit Libyan dinars through the Kremlin-owned company Goznak. Moscow went on to deliver over USD 10 billion US worth of counterfeit dinars to eastern Libya against the wishes of the internationally-recognised central bank in Tripoli, who print their money through the De La Rue company in the United Kingdom. Much of these counterfeit dinars have gone on to replenish Haftar's cash-strapped LAAF, sustain repeated oil blockades against the GNA and improve his bargaining position in diplomatic negotiations. Russia essentially invented a priceless way of funding wars, costing nothing more than the paper it is printed on. The move

¹¹ A. Mackinnon and J. Detsch, "Pentagon Says UAE Possibly Funding Russia's Shadowy Mercenaries in Libya", *Foreign Policy*, 30 November 2020.

¹² "Intel: Russian Mercenaries Enter Key Oil Field, Libya Oil Company Says", *Al-Monitor*, 26 June 2020. Accessed October 3, 2022.

¹³ "Russia's Putin: Russians Fighting in Libya Do Not Represent the State", *Reuters*, 11 January 2020.

¹⁴ W. Abdullah, "Libyan commander rejects Haftar deal on oil production", *Anadolu*, 19 September 2020.

is the first of its kind, and marks a significant departure from the international norms of monetary sovereignty and the way in which wars have been traditionally funded. This technique was only made possible through the combination of Russia's intimidating military weight and its powerful position in the UN Security Council that makes it immune from sanctions and gives it the power to break even the most basic rules without fear of repercussion. However, its lethality and efficacy is in the way Russia created a new way of financing Haftar's war to take power from the GNA, whilst making the Libyan state pay for it. The Libyan central bank was forced to make the difficult decision of whether to honour the Russian rival currency, and eventually incur the Russian dinars as a debt upon the unification of the rival bank, or accept the de-facto division of Libya into two separate financial zones and potentially a separate state entirely.

Conclusion: Libya's Armed Groups in the Global Competition

Libya's shadow state lords are a growing phenomenon that is unlikely to subside in an era of growing global competition and conflict that transformed the country into a disorderly theatre of great power competition. Libya has experienced dramatic divisions and change over the last eleven years, witnessing five interim governments, three civil wars, two coup d'états and two UN peace processes. All have come and gone, yet armed groups remain, demonstrating their savviness in navigating these extraordinary societal and political changes and emerging stronger than before. Libya remains in a deep political crisis, and desperately needs a new peace process, but against a new and complex global context. A global energy crisis sparked by Russia's invasion of Ukraine has renewed interest in saving Libya, and its oil sector is now seen as lifeline to the Mediterranean that will only grow in importance to both Europe and Russia. The intractable nature of the war in Ukraine is likely to nurture more global power competition in Libya, producing the same conditions that

led to the rise of armed groups in the past to shadow state lords of today. Libya's warlords will again find themselves in a strong bargaining position as powerful local proxies to desperate foreign patrons, who will empower them to defeat their rivals in the short term at any cost, neglecting the long term debt to stability this policy produced over a decade ago.

3.2. Old Elites and New Armed Groups: The Scramble Over Yemen's Oil Reserves Continues

Ahmed al-Shargabi, Mareike Transfeld

Yemen's formal and informal economy depends heavily on the export of crude oil. Yemen's old elites, *de facto* authorities and rogue armed groups are now scrambling to control the country's oil reserves while seeking to dominate the import of oil derivatives. In its initial phase, the 2015 war concentrated on places of political importance, with the various groups, such as the Houthis or the Southern Transitional Council (STC) taking control of state institutions in Sanaa and Aden, respectively the capital and interim capital where national-level state institutions are located. Conversely, in the last few years, the conflict has increasingly shifted its focus on areas of economic importance, including al-Hodeidah, Marib, Shabwa and more recently Hadramawt, which are all relevant for the country's export of crude oil and import of oil products. Together with the import of oil derivatives, the export of crude oil represents the largest source of potential revenue for armed groups in Yemen. There is much ambiguity surrounding Yemen's oil sector, with political, tribal, and military elites profiting directly from the export, import and smuggling of oil. Evidence suggests that the oil sector has not only drifted to a large extent into the country's informal economy but has also localised. Since the 2015 onwards, state institutions have been largely cut out of

the energy deals. Historically, it has always been elites that used state institutions for personal gain: with the Gulf States poised to shape political dynamics in the country according to their interests, the old elites, many of whom are associated with *Islah* and have influence over *Islah* militias and tribal fighters, as well as armed forces that came to be dominated by *Islah*—stand to lose their privileged access to the country's oil reserves. On the other hand, new armed groups have emerged (such as the Houthis or armed groups associated with the STC) and are seeking to expand their access to revenues from the oil business, which are nominally reserved for the state. The boundaries between state and non-state actors have always been blurry in Yemen, but the scramble over oil reserves during the current war demonstrates that these boundaries have completely collapsed.

Yemen's Oil Sector Before and After the 2015 War

Since the beginning of the country's oil production in the 1990s, Yemen's political, tribal and military elites have played a substantial role in the oil sector. Under the presidency of Ali Abdullah Saleh, certain elites deemed relevant for regime survival not only received a direct cut of every barrel exported, but also obtained exploitation and export licenses as a means to secure their loyalty.¹⁵ This includes most notoriously General Ali Mohsin Al Ahmar, the longtime confidant of President Saleh who later defected and became Vice President under President Abdu Rabbu Mansour Hadi, as well as the Ahmar family (not related to General Ali Mohsin), which since the 18th century has stood at the helm of Yemen's historically strongest tribal federation (the Hashid); with the republican revolution of 1962, the Ahmar family became politically influential and began shaping regime politics.¹⁶ This elite amassed a fortune,

¹⁵ A.A. Longley, "The Rules of the Game: Unpacking Patronage Politics in Yemen", *The Middle East Journal*, vol. 64, no. 3, 2010, pp. 385-409.

¹⁶ P. Dresch, *A History of Modern Yemen*, Cambridge, Cambridge University Press,

which allowed them to build business empires, including the establishment of numerous companies for the sake of obtaining exploration licenses, such as al-Ahmar's Griffin Energy Company or Dhakwan Petroleum and Mineral Services, as well as buying stakes in foreign companies, such as Ali Mohsin's stake in Welltech.¹⁷

Yemen's oil reserves are relatively small, being only the 35th largest oil exporter. At its peak production in 2001, Yemen exported 457 000 barrels/day.¹⁸ According to Organisation of the Petroleum Exporting Countries (OPEC) data, the volume of crude oil exports decreased steadily since then. Yemen has only two oil refineries, one in Marib, and another one in Aden, which stopped operation in 2014: this meant that the country imported oil products to cover its domestic needs (until 2010, 20% of the country's needs were covered by imports).¹⁹ While state subsidies represented a heavy burden on the state budget, regime elites enriched themselves through the smuggling and re-selling of subsidised fuel at the international market price to countries in the Horn of Africa. Between 2000 and 2007, diesel imports tripled, suggesting that smuggled amounts increased. Various studies attest that between 2005 and 2008, 30 to 50% of the diesel consumption was smuggled by elites.²⁰

The oil sector changed dramatically after the Houthis took control of the capital Sanaa in September 2014, leading to

2000.

¹⁷ "Fake Company Belonging to Al-Ahmar Acquires Jannah Hunt Oil Fields in Shabwa", South 24 website, 30 May 2022; "Al Janoob Al Youm Reveals Mysteries of Conflict and Control Over Jannah Hunt Sector in Shabwa?", Al Janoob Al Youm, 14 August 2022; G. Hill et al., *Yemen: Corruption, Capital Flight and Global Drivers of Conflict*, Report, Chatham House, 1 September 2013, p. 21.

¹⁸ "Yemen Crude Oil: Production", Yemen Crude Oil: Production, 1960-2022 | CEIC Data. CEIC.

¹⁹ P. Salisbury, "Yemen's Economy: Oil, Imports and Elites", Chatham House, October 2011.

²⁰ A. Al-Weshali, "Diesel Subsidies and Yemen Politics: Post-2011 Crises and their Impact on Groundwater Use and Agriculture", *Water Alternatives*, vol. 8, no. 2, 2015, pp. 215-237, cit. p. 223.

the military intervention of the Saudi-led coalition in early 2015. In the initial years of the war, the export of oil nearly collapsed, dropping as low as 24 000 barrels/day in 2016.²¹ This was the result of the disruption of commercial and governance activities, the fragmentation of the state and continued violence, including attacks on pipelines. As part of their bid to take over state institutions, the Houthis took control of governance institutions vital for the oil sector, including the Yemen Petroleum Company and the Ministry of Minerals and Oil. The internationally recognised government formally re-established these institutions in the interim capital of Aden in November 2015. But according to Yemen Petroleum Company officials in Aden, the Ministry still lacks the capacity to enforce its authority even seven years after it was moved.²² By 2015 major foreign oil companies had left the country, including Canadian Nexen, Hunt Oil and Total.²³ Instead of handing oil fields back to the state, energy companies declared *force majeure*, which allows them to pause production indefinitely in case of a natural disaster or war. In these circumstances, transparency was further eroded, while corruption increased as exploration rights were leased or sold to new operators, both local and international, while circumventing the Houthi-held institutions and the Yemeni government.

²¹ “[Yemen Crude Oil: Production](#)”, Yemen Crude Oil: Production, 1960 – 2022 | CEIC Data. CEIC.

²² Interviews with officials at the Aden branch of the Yemen Petroleum Company, Aden.

²³ *Reuters*, 14 April 2015; S. Ewart, “[As Yemen Descends into Chaos, Nexen Quietly Leaves Arabian Peninsula](#)”, *Calgary Herald*, 18 February 2015.

Yemen's oil and gas

Fields and infrastructure



Source: S&P Global Platts, European Council on Foreign Relations

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Saleh Pushed Out of the Oil Sector; Houthis Take Control of Oil Imports Into Yemeni Northern Regions

Although the Houthis took control of the capital and national-level institutions, the group could not achieve sustained access to the country's oil resources and gain a stake in the oil export business. With former President Saleh having entered an alliance with the Houthis in 2014, the Saleh family lost its privileged access to oil production. The Houthis came into control of state institutions relevant for the oil sector, and even seized public and private assets belonging to the Ahmar and Saleh families,

including companies that were active in the oil sector. Yet, the Houthis' institutions were cut off from oil fields. Since the summer of 2015, when internationally recognised government (IRG) troops and local resistance forces later affiliated with the STC pushed the Houthis out of southern Yemen, the Houthis lost control over the oil fields they had temporarily seized, cutting state institutions and commercial companies in Sanaa completely off the country's oil reserves. Today, the Houthis control only Ras Issa on the Red Sea coast; Ras Issa is the export terminal for Marib oil, being connected by pipeline. The Marib pipeline has been regularly targeted by local armed groups since 2011, leading to frequent interruptions in operations. Once the Houthis assumed control over Ras Issa, exports through the Marib-Hodeidah pipeline were halted completely, with Marib exports being rerouted through Shabwa.²⁴

The Houthis view Saudi Arabia and the United Arab Emirates (UAE) as occupiers that are looting Yemen's oil reserves and preventing Yemen from taking advantage of its own resources.²⁵ In fact, on 2 October 2022, a few hours before the UN-mediated national truce was set to expire, the Houthis announced that they would target Yemen's oil infrastructure if the looting of the country's oil reserves by the regional states did not stop. On 18-19 October, Houthi drones targeted several oil sites in southern Yemen.²⁶ From a Houthi perspective, their control over Marib and Shabwa would return the country's oil reserves into "legitimate" hands. Some in Sanaa believe that the Houthis' control over Marib would allow the group to export Marib's oil via Ras Isa port.²⁷ The Houthis have tried

²⁴ "Yemeni tribesmen blow up Marib oil pipeline, stop crude flows", *Reuters*, 22 March 2014.

²⁵ "Al-Houthi: All Oil and Gas Revenues are Now Looted by Coalition of Aggression", *Russia Today*, 24 August 2022; "Officials: Tribesmen Blow Up Yemen's Main Oil Export Pipeline" 23 August 2022.

²⁶ M. Alghobari, "Yemeni government forces intercept Houthi drones attacking southern oil terminal", *Reuters*, 21 October 2022.

²⁷ P. Salisbury, "Brokering a Ceasefire and Yemen's Economic Conflict", International Crisis Group, Report no. 321, 2022.

in the past years to advance into Marib and Shabwa, where heavy fighting frequently erupts between the conflict parties. In 2020, the Houthis launched their campaign to take control of Marib, having closed in on the oil-rich governorate from the northern al-Jawf governorate, and eventually making significant gains in southern Marib in late 2021, putting a near siege on the provincial capital. In 2021, the Houthis retook the northern districts of Ain, Bayhan and Usailan in Shabwa governorate, in the latter of which some oil fields are located. In what has been referred to as the decisive battle for the future of Yemen, forces associated with Islah and the IRG have been able to maintain control over Marib city and the governorate's oil reserves. But it was not without the support of the UAE-backed Giants Brigades that northern Shabwa was retaken from Houthi control in January 2022.

Although the Houthis do not have access to Yemen's oil reserves, the import and distribution of oil constitutes one of the Houthis' main sources of revenue, as the country continues to depend on the import of oil products. According to the United Nations Security Council Panel of Experts report, between May 2016 and July 2017, the Houthis had a revenue of USD 1.27 billion from the sale of oil products on the black market. In 2015, the Houthis abolished the Yemen Petroleum Company's monopoly over the distribution of oil products: thanks to a private bidding competition, the Houthis came to control the sector through their monopoly of black market distributors.²⁸ Although Al-Hodeidah has traditionally been an important port for bringing oil products into the country, the IRG ceased imports once the port fell to the Houthis, with ships only permitted to dock once approved through the United Nations Verification and Inspection Mechanism for Yemen (UNVIM). In Al-Hodeida, royalties and taxes for the import are now collected by the Houthis, either at the port

²⁸ UN Panel of Experts Report S/2018/594, p. 38.

or for fuel imported by land at checkpoints.²⁹ According to information obtained by the UN Panel of Experts as well as Yemeni investigative journalists, since the Houthis came into control in Sanaa, companies associated with the armed group have come to dominate the import of oil through al-Hodeidah port. This includes the companies Yemen Life, Oil Premier and Black Gold. These companies are, according to the investigative journalist Muhammed al-Absi, who was killed in Sanaa after breaking the story in October 2016, owned by Houthi elites, such as the brother of Houthi Chief Negotiator Mohammed Abdulsalam. Conversely, companies that were involved previously – many of which were associated with President Saleh, such as the Falak Shipping company – have ceased operations.³⁰ In the 2021 UN Panel of Experts Report, the experts attest that the Houthis create fuel scarcity deliberately to force traders to sell fuel on the Houthi-managed black market in order to collect fees. Although the amount of fuel imports has increased over the last years, according to the report, fuel crises remain a recurrent problem in northern Yemen.³¹

Islah and IRG Elites Increase Their Influence in the Oil Business

Although production and export of oil set in slowly since 2016 in Hadhramawt and since 2018 in Shabwa, it has recovered only slightly, with exports being reported at 45 000 barrels/day in December 2021. Overall production and export levels have remained low during the war. Yet, elites associated with Islah and the IRG maintained and even expanded their control over crude oil exports in this time. These elites benefit directly from

²⁹ ACAPS Analysis Hub, “Al Hodeidah fuel import and fuel price modelling”, Thematic Report, April 2022. Also See the United Nations Verification and Inspection Mechanism for Yemen (UNVIM) at <https://www.vimye.org>.

³⁰ UN Panel of Experts Report S/2018/594, p. 39.

³¹ UN Panel of Experts Report (S/2021/79), p. 39.

the oil sector through their control of military forces and tribal militias protecting the oil fields, their stakes in drilling and shipping companies, as well as informally through the smuggling of oil abroad. After the Houthis had been pushed out of the southern governorates, forces affiliated with Ali Mohsin and Islah stood unchallenged in the oil-rich governorates of Marib, Hadhramawt and Shabwa. In the initial stages of the war, local resistance forces and informal armed groups that could have challenged the position of the Islah forces were rather weak in the areas where oil reserves are located. This allowed the old elites around the Islah party and the IRG to continue profiting unabridged from the country's oil sector.

In Marib, the main oil company producing and exporting crude oil is the national Safer Exploration and Production Operations Company (SEPOC), which has taken over exploration rights for sector 18 from the US company Hunt Oil in November 2005.³² The military commander Sultan Ali al-Arada, a member of Saleh's General People's Congress (GPC) party, was appointed by former President Abdu Rabbu Mansour Hadi as governor of Marib in 2012. Over the course of the war, Marib became the new stronghold for the IRG and the Islah party, with Ali Mohsin and the Minister of Defence frequently visiting the city from their homes in Riyadh, while Ali Mohsin's troops received fees for securing oil fields in Marib.³³ Al-Arada appointed relatives and loyalists to vital positions in Safer, indicating his close relationship with and his influence over the company.³⁴ Although along with Shabwa

³² "Hunt Oil & ExxonMobil File for Arbitration on Yemen Field", *Rigzone*, 21 November 2005.

³³ According to Yemeni media reports, Ali Mohsin and Sultan al-Arada common business interests in Turkey and Oman, which is an indicator for their cooperation in Yemen's oil sector. See "Cabinet offers the largest oil sector in Marib for sale", *Al Mahra Post*, 23 April 2020.

³⁴ See for instance the appointment of Brigadier General Awad bin Hussein Al Arada, a member of the governor's family, as Director of political security at Safer Company. See "Kuwait Al-Ahly Bank Account Exposes corruption of Muslim Brotherhood in Yemen", *al-Omana Newspaper*, 13 June 2020.

and Hadhramawt, Marib was legally permitted to keep only 20% of its oil revenues, since 2020 Safer has not sent revenues from Marib oil exports to the Yemeni Central Bank in Aden, arguing that the bank is under the influence of the STC. Al-Arada, through his position as governor, thus has complete control over the officially reported revenues from Marib's oil exports.³⁵

In Hadhramawt, the Ahmar family, Ali Mohsin and other leaders close to former President Hadi have a stake in the revenues of the national Petromasila company,³⁶ which was established in 2011 to take over operations of the production sharing agreement previously owned by Canadian Nexen of the Masila basin in Hadhramawt.³⁷ When in 2015 Canadian Nexen exited the country, it left its remaining operations in Hadhramawt to Petromasila through leasing contracts. According to employees in the oil service sector, all subcontractors are likewise local, owned by Hadhrami businessmen who have relations with the local authority.³⁸ The former Governor of Hadhramawt, Salmeem al-Bahsani (removed as governor in July 2022), controls the official revenues of the Hadhrami oil exports, with 20% being transferred directly to the local authority in Mukalla. While these revenues are meant to be invested in services and infrastructure, local protest movements accuse al-Bahsani of large-scale corruption.³⁹

³⁵ See “Marib Rebelled Against a Yemeni Cabinet Refused to Supply Gas Revenues to CBY in Aden”, *al Marsd*, 4 March 2020.

³⁶ “Southern Politician reveals Al-Ahmar's Acquisition of Petromasila Oil Revenues”, *South Al Mukawama*, 4 March 2020.

³⁷ “UPDATE 2-Canada's Nexen to exit Yemen Masila oilfield”, *Reuters*, 23 November 2011.

³⁸ Interview with employee of Petromasila subcontractor.

³⁹ S. Bin Othman, “Corruption and Instability are fueling protest and fragmentation in Hadhramawt”, Yemen Policy Center, November 2021.

UAE-Supported Troops Seek Control Over Yemen's Oil Resources

Since summer 2022, it has become apparent that UAE-supported forces are seeking to control areas where Yemen's oil reserves are located. A possible interpretation of the strategy is that the UAE is seeking to rid the Islah party in particular of its economic basis and ability to fund its armed forces. The UAE considers the Muslim Brotherhood a terrorist organisation; the Islah party being composed partially of the Muslim Brotherhood turned the party into an Emirati opponent. Starting in 2016, the UAE began building, training and equipping armed forces in Aden, Hadhramawt, Shabwa and al-Khocka at the Red Sea Coast, while at the same time supporting non-state armed groups in Taiz and al-Hodeidah as alternatives to the IRG armed forces which are dominated by the Islah party. By 2018, these forces developed the strength to challenge security forces and army brigades that are part of the state official hierarchy. For instance, the Aden Security Belt and Backup and Support Brigades, which are both supported by the UAE and affiliated with the STC, challenged the position of the IRG in the city starting in January 2018. The Southern Transitional Council was formed in 2017, after members of the southern independence movement rose up in the military and political hierarchy of the Yemeni state.⁴⁰ In the summer of 2019, forces loyal to the STC pushed IRG forces out of Aden and have since assumed control over or at least extended their influence into all security and governance institutions.⁴¹ This also includes the Aden branch of the Yemen Petroleum Company, as well as the port. The STC does not dominate the import of oil into IRG territory, which is still in the hands of former President Hadi's

⁴⁰ M. Transfeld and A. Al-Sharjabi. "Competition in Al-Dhali: The STC Takes the Upper Hand", Yemen Policy Center, 2020.

⁴¹ M. Al-Iriani and M. Transfeld. "The Security Committee in Aden", in M. Transfeld et al. (Eds.), *Local Security Governance in Times of War*, Yemen Policy Center and CARPO, 2020, pp. 53-67.

affiliate, Ahmed al-Eisi.⁴² However, taxes and royalties collected at the ports constitute an important source of revenues for the STC. In 2020, the STC closed the customs office at the port and ordered tax revenues to be redirected to its bank accounts rather than to the Aden central bank.⁴³

Since January 2022, UAE-supported forces have become more assertive across southern Yemen. This appears to be part of a wider dynamic which is empowering UAE-supported forces and officials, while officials and forces associated with the Islah party and Hadi are being marginalised. In December 2021, the Islah Governor of Shabwa Mohammed Bin Aydeo was replaced by the GPC member Awad al-Awlaki: six months later, an escalation of violence led the UAE-supported forces to expel security forces loyal to Islah from the governorate, allowing the UAE-backed forces to assume control over oil fields there. The Shabwa oil fields stopped producing in 2015 and struggled to restart production in 2018, when the Austrian oil company OMV returned, with - according to a Yemeni investigative report - numerous unknown companies stepping in trying to reactive oil production.⁴⁴ In 2018, UAE-supported forces were already involved in securing oil fields. However, in 2022, these forces have increased their control on the oil fields, which could

⁴² Ahmed al-Eisi receives procurement contracts through opaque bidding processes that ensure he wins the tender. The Sanaa Center for Strategic Studies writes that through Al-Eisi's company's monopoly over the Aden Refinery, which is the sole entity authorised to import fuel into the port of Aden, Al-Eisi gained a monopoly over fuel imports. See "[Corruption In Yemen's War Economy](#)", The Sanaa Center for Strategic Studies, Policy Brief, 2018.

⁴³ Sanaa Center's Economic Unit, "[Yemen Economic Bulletin: "STC's Aden Takeover Cripples Central Bank and Fragments Public Finances"](#)", Sanaa Center for Strategic Studies, Analysis, 2020; according to other reports, the tax office remains open, while the STC earns USD 17 million per month from revenues from importing oil derivatives, and 21 billion YER per month from levies, see "[Report Reveals what STC loots Monthly through levies](#)", al-Janoob al-Youm website, 12 July 2022; "[Yemeni Customs Head: More than 476 Billion Riyals Revenues During January - August 2022](#)", Aden Hura, 11 September 2022.

⁴⁴ "[Oil Areas are hotbeds of Yemen conflict... Shabwa is Just a Beginning](#)", *Alaraby Aljadeed*, 14 August 2022.

allow UAE-supported officials and forces to profit directly from oil exports. In May 2022, the Giants Brigade expelled the IRG's associated 107th Brigade thus taking control over the oil field in Usailan, which was operated by Jennah Hunt Oil associated with Ali Mohsin. In addition, when UAE-supported forces and Islah forces clashed in the governorate in August 2022, the UAE-supported Giants Brigades and the Shabwani Defence Forces took control of the oil fields in al-Uqla and Ayyad in Shabwa. The UAE-supported Governor Awad al-Awlaki is currently cracking down on the numerous companies associated with Ali Mohsin and former President Hadi that were not licensed to drill or export from the Shabwa oil fields since OMV's renewed exit in June 2020.⁴⁵ This could open the door for new oil companies to become active in Shabwa. After the balance shifted in Shabwa, since August 2022, attention has shifted to Hadhramawt, where pressure is increasing on Islah forces controlling oil fields in Wadi Hadhramawt (the northern part of the governorate) to withdraw to the Marib front: this would enable UAE-supported forces to assume control over the oil reserves. These dynamics coincide with talks between the UAE and European countries scrambling to find new sources for gas in the context of the Ukraine war and mounting sanctions on Russia. This has raised questions about whether the UAE's intentions are to facilitate the export of Yemeni gas for the European market.⁴⁶

⁴⁵ "OMV: Shabwa Governor's Arrival to Oqula Oil Field, a Sign to Restore Oil Production and Export", *Al-Ayyam*, 22 August 2022. Al-Ayyam. "OMV: Shabwa Governor's Arrival to Oqula Oil Field, a Sign to Restore Oil Production and Export" 22 August 2022. <https://www.alayyam.info/news/9472UE10-GJ936E-1F10>. Accessed 15 September 2022.

⁴⁶ "German Announcement to Supply Gas from Emirates Raises Controversy in Yemen", *Alakbbar al-Yemeni*, 21 September 2022.

Networks of Loyalties Cut Across the State and Non-State

As the discussion above demonstrated, the concept of the state, which is conventionally understood as a sovereign territory, governed by an authority holding the monopoly over the legitimate use of force and the allocation of revenues, is not useful as a lens to understand actors and structures, as well as the distribution of power in Yemen. For *de facto* authorities, specifically the Houthis and the STC, the import of oil has become a lucrative source of revenue to fund political and military operations. All the while, the elites associated with the IRG have profited personally and directly from the country's crude oil exports while excluding state institutions. This is possible through networks of state institutions, the military, and non-state institutions, such as tribes, armed groups, or political parties. The focus of the conflict is now on creating an economic basis for armed groups to not only fund their operations but also sustain governance structures, while preventing others from doing so. This will continue to weaken state structures, while new quasi-state structures built around the networks of the various groups are strengthened. These efforts will shape conflict dynamics in Yemen over the next several years. Now that UAE-supported forces have taken control over Shabwa and its oil serves, tension is currently increasing in Hadramawt. These developments foreshadow further conflict in Marib, as well as other economic and commercial hot spots, such as al-Hodeidah and Taiz.

4. Armed Groups, Smuggling and Illicit Trafficking

4.1. The Lifeblood of Libya: Armed Groups' Normalisation of a Thriving Smuggling Economy

Amanda B. Kadlec

Over the course of ten years since the uprisings that led to Gaddafi's removal, armed groups – the informal security providers that ultimately became legitimised by the state¹ – have in effect infused their presence into all aspects of life and living in Libya, including the economy and provision of daily goods that keep society running. Smuggling in Libya is a source of bread and butter for the small player, and a source of extreme wealth for those who have managed to secure positions of power and stature in the process. Although certain armed groups and their leaders have dominated different routes and markets over the past ten years of shifting alliances, the underlying mechanisms appear to be constant. In every sense, armed groups are the beating heart behind the persistent, pervasive smuggling economy in Libya on which everyone has become dependent.

¹ E. Badi, “Exploring Armed Groups in Libya: Perspectives on Security Sector Reform in a Hybrid Environment”, DCAF, 2020.

It took time to turn this destructive dynamic into normalcy, however. Indeed, Gaddafi's system of rule hardly embodied the concept of a state regulating a fair market of goods and services. His government favoured groups of interlocutors over others in a system that allowed for no diversity of competition in a hydrocarbon-dependent economy, and which deliberately prevented the development of transparent institutions to manage it.² That lack of transparency, combined with a complete breakdown of centralised control over the economy after his ouster and the sudden legitimisation of armed groups over the security sector, has given them the ability to exercise outsized power over the informal and formal economies as well. The uprisings in 2011 provided armed groups with varying levels of local and state-level influence, and ultimately, control over territory and what moves through it.³ Kingpins and businessmen alike filled in the gaps, often working with politicians and statesmen to cement their roles as money-makers in a highly profitable parallel economic system over the past decade. In all, the broader illicit economy and diverted financial flows in Libya strips the country of more than USD12 billion each year, funds that could be reinvested in infrastructure, education and stability.⁴ At best, a fair and competitive consumer market is denied to ordinary Libyans, and, at worst, the power structure that keeps armed groups in power and stealing from the state and citizen at scale is merely reinforced with each passing year.

² F. Mangan, "[Illicit Drug Trafficking and Use in Libya](#)", United States Institute of Peace, 2020.

³ M. Micallef, "[Shifting Sands: Libya's Changing Drug Trafficking Dynamics on the Coastal and Desert Borders](#)", Global Initiative against Transnational Organized Crime (GI-TOC), 2019.

⁴ United Nations Interregional Crime and Justice Research Institute. "[Illicit Financial Flows and Asset Recovery in the State of Libya](#)", UNICRI, May 2021.

Understanding Smuggling and Trafficking in and through Libya

Anything and everything is smuggled to and through Libya, and the country's multiple and powerful armed groups have a role to play at every juncture of the process. Petroleum, gold, narcotics, artifacts, weapons and ammunition, cigarettes, alcohol and migrants fall into the category of goods.⁵ But often, these items overlap with routes also transporting the ordinary things we find at the supermarket, such as flour, packaged goods, baby formula, milk, medicines, clothing or cosmetics, all of which may include counterfeited items.⁶ As a producer, transit country and final destination, Libya's unregulated spaces provide the perfect environment for the continuation of smuggling of any and all manner of goods.

Equally important are the structural and cultural factors that initially provided the ground for Libya's illicit market to grow. It has long been established that what many parts of the developed world would consider to be illegal smuggling is merely an accepted form of financial sustenance for communities long abandoned by state governance.⁷ The fluid movement of goods and people across open desert into and through Libya is simply how populations of the Sahel region survived and thrived for centuries before modern-day borders were imposed, and even long after that. The nomadic Tuareg caravanned ancient routes trading in gold, ivory, salt and other high-priced goods, including Sub-Saharan African slaves, throughout the pre-colonial period.⁸ Tebu tribes have held dominion over vast networks in the southeast region of Libya bordering Niger and Chad, and the Amazigh tribes of the north-western mountain

⁵ Micallef (2019).

⁶ Interpol, *Overview of Serious and Organized Crime in North Africa*, September 2018.

⁷ "Cross-Border Smuggling: What Drives Trade in North Africa?", *ENACT Observer*, July 2019.

⁸ M. Jalali, "Tuareg Migration: A Critical Component of Crisis in the Sahel", Migration Policy Institute, May 2013.

areas have maintained overland routes to Tunisia for hundreds of years to today.⁹ Along the eastern border with Egypt's western desert, dominated by Arab Bedouin tribes, is yet another overlapping system.¹⁰ This historical precedent created the environment for smuggling in the modern context to be perceived as socially acceptable on one level, even though there is public acknowledgement of the dangers of violence and that its proliferation poses as long as armed groups are part of the process.¹¹

Human Trafficking

Perhaps the most well-documented and atrocious means by which Libya's armed groups profit in the informal economy is in the trafficking of humans. Some of the migrants who pass through their hands have escaped conflicts in their own countries, while others are pushed by lack of economic opportunities at home and are intent on either working in Libya or attempting a transit to Europe. During the height of migration to Europe from 2014 to 2017, smugglers in Libya's south and on the border with Niger banked considerable wealth. Traders were not necessarily directly a part of or affiliated with armed groups, however, even though they controlled the routes. Following the European Union's push to prevent movement from Niger, the migrant smuggling economy collapsed and went underground.¹² Trafficking of humans within Libya

⁹ R. Farrah, "Zuwara's Civil Society Fight Against Organized Crime", Global Initiative against Transnational Organized Crime (GI-TOC), December 2021.

¹⁰ A. Shihab El-Dine, "The Eastern and Western Egyptian Borders: 'All is Allowed! Anything Goes!'" *Assafir Al Araby*, 12 June 2012.

¹¹ M. Shaw and T. Reitano, *The Political Economy of Trafficking and Trade in the Sahara: Instability and Opportunities*, Global Initiative against Transnational Organized Crime (GI-TOC), December 2014, p 19.

¹² M. Micallef, "The Human Conveyor Belt Broken: Assessing the Collapse of the Human Smuggling Industry in Libya and the Central Sahel", Global Initiative against Transnational Organized Crime (GI-TOC), March 2019.

nevertheless continued, with armed groups in coastal areas at the centre of an endless cycle of abuse and exploitation.

While migrants still cross multiple entry points for different reasons and work with a series of individuals to complete each section of the journey to their destination, many end up in detention centres at some point. Some facilities are government-sanctioned centres and others are informal, but once inside the system, migrants are extorted for money, forced to work with little or no pay, or sold for sex slavery in an established moneymaking scheme. The issue is not only that armed groups are detaining and extorting desperate humans for money, but also that armed group members are in positions of power in the government tasked with enforcing humane migration practices. Examples of this dynamic abound. One such example is Abdurahman al Milad, the human trafficker sanctioned by the United Nations and European governments who continues to receive a salary from the Libyan Coast Guard while directing search and rescue operations.¹³ Another is Mohamed al-Khoja, the current head of the Interior Ministry's national migrant detention system who was named as the head of the notorious Tarik al Sikka prison where the gravest of human rights violations and human smuggling practices took place.¹⁴ It is nearly impossible for the state's investigative authorities to act against the individuals associated with powerful security actors because they are so deeply entwined with government functioning.

¹³ R. Horsley and J. Gerken, "Libya: Stability Fuels Rebound in Human Smuggling", Global Initiative against Transnational Organized Crime (GI-TOC), July 2022.

¹⁴ Amnesty International, "[Libya/EU: Conditions Remain 'Hellish' as EU marks 5 Years Cooperation Agreements](#)", January 2022.

Libya: Human Trafficking

The main routes



Source: GiTOC-Global Initiative Against Transnational Organized Crime, 2022

ISPI

The Weapons Issue

The issue of weapons trafficking emerged as a dominant concern during the chaos of the 2011 uprisings as seized caches from the revolution were moved from Libya to northern Mali: here the Tuareg paired with the al Qaeda-linked Ansar al Din to create a national Tuareg state.¹⁵ The experiment quickly fell apart, and the flow of weapons out of Libya became less of an issue than concerns over the endless flow of high-grade materiel

¹⁵ “Expanding Arsenal: Insurgent Arms in Northern Mali”, in *Small Arms Survey*, 2015.

in the opposite direction. After the onset of civil conflict in 2014, which propelled Khalifa Haftar to the national stage and set east and west-based factions and their international backers against one another, the illegal delivery of weapons and ammunition ballooned. Throughout the second civil conflict in 2019-2020, UN investigators noted flagrant disregard of the arms embargo in place since 2011, which directly involved powerful regional players such as Turkey and the United Arab Emirates.¹⁶ The leaders of the most powerful armed groups in west Libya directly engaged their government officials and international networks to deliver supplies, often distributing to different groups at different times in an *ad hoc* way. The eastern coalition of armed groups equally received and benefitted from weapons transfers, but unlike their counterparts, arrangements are made through the direction of Haftar and his close coterie in a far more top-down manner. Either way, however, all players involved in the process operate with impunity because the UN sanctions regime is completely unenforceable as long as armed groups remain Libya's recognised and legitimised security actors.¹⁷

An oft-cited concern has been the crossover of relationships among Libya's legitimised armed groups and terrorist actors in need of weaponry, either in Libya or beyond. Fears initially emerged, particularly after the Tuareg separatist movement's association with al Qaeda (AQ) and the rise of the Islamic State on Libya's northern coast, that Libya would emerge as a failed state on the Mediterranean.¹⁸ Former Libyan Islamic Fighting Group (LIFG) members and other fighters of the 2011 revolution also cooperated with elements of the AQ-linked Ansar al Sharia in Benghazi, just as they also sought to integrate into formalised local government and security functions.¹⁹

¹⁶ UNSC Panel Report, 2019/171, 5 March 2019.

¹⁷ Ibid.

¹⁸ C. Chivvis, "Somalia on the Mediterranean", *Foreign Policy*, 2015.

¹⁹ [A Quick Guide to Libya's Main Players](#), European Council on Foreign Relations (ECFR).

Although much attention has been directed at attempting to identify clear connections between Libya's armed groups and outward flowing weapons trade to arm and finance terrorist entities, limited access makes verifiable information difficult to obtain.²⁰ What is clear, however, is that the domestic threat posed by groups like the Islamic State or al Qaeda affiliates remains low today even if they have been smuggled weapons to by armed groups in the past.²¹

The Drug Market

No less menacing to society is Libya's raging drug market. Once a relatively modest market during the Gaddafi era, Libya is now a recipient and transit nation for all manner of opiates, amphetamines, cannabis and pharmaceuticals, of which tramadol and male enhancement pills are popular items.²² The primary routes into Libya are from the Levant and West Africa, with final destinations in Europe and Libya itself. Even though Libya is not a primary producer for any of these drugs, demand within the country is high and varied throughout the country, despite the religious and cultural intolerance to their consumption.²³ In the years immediately following the 2011 uprisings, the country's armed groups – with weapons, legitimacy and free reign over their respective spheres of influence – wanted in on the market. Armed groups with control of key infrastructure points that could facilitate deliveries, such as harbours and airports, found themselves in an advantageous position to direct smuggling operations. Even if an armed group were not the direct transmitter or recipient, it might force "tax" payments on smugglers to permit them

²⁰ M. Fitzgerald, "Small Arms and Light Weapons as a Source of Terrorist Financing in Libya." Royal United Services Institute, 2021.

²¹ UNSC Panel report, 2019/171..., cit.

²² Mangan (2020).

²³ Micalef (2019).

free movement in their geographical area of dominion. This naturally set the stage for stiff competition and conflict among armed groups seeking hierarchy over large-scale distribution networks.²⁴

Fuel and Consumer Goods Smuggling

A similar dynamic is at work with fuel, but unlike narcotics and pharmaceuticals, Libya is the primary source country for its illicit trade. Although Libya produces and exports crude, it lacks the capacity to refine it and therefore must import fuel legally from abroad based off of sales of crude, which it does at considerably increasing levels from year to year despite constancy of demand. Once it lands at the port of entry, armed groups in control of those facilities are able to siphon supply and set their price for popular consumption. It is important to note that with all other manner of state management, there is no transparent, centralised mechanism through which fuel is distributed, leaving multiple avenues for abuse and corruption of the systemic guidelines that are in place.²⁵ In west Libya, fuel is transported via the Zawiya port, and the armed group in control of that infrastructure is empowered by political figures with influence in the nearby Tripoli government. Petrol is heavily subsidised, offering armed groups in control of land routes the opportunity to sell it at high mark-up domestically and regionally, albeit still well below international market cost. Fuel is sold at fivefold rates within Libya, but outside of the country as well, although far more by overland than by sea. Fuel smuggling across the western border with Tunisia is most common and historically well-reported, and it is on the rise once again as global fuel prices increase, especially after the Russian invasion of Ukraine, and the Tunisian public seeks a cheaper

²⁴ Ibid.

²⁵ T. Eaton et al., “[Libya’s War Economy: Predation, Profiteering, and State Weakness](#)”, Chatham House, April 2018.

source. It is also smuggled to towns in the south, where state neglect and shortages of all manner of goods are commonplace. Over the past ten years, armed groups from the coast down to the small town have established a system of fuel diversion that is “pervasive and well-organized”, leaving the Libyan public completely dependent upon them for energy needs.²⁶

Far less threatening and far more socially acceptable is the trafficking of ordinary household consumer goods. The problem is that these goods are wrapped up in the broader network of corruption and smuggling activity dominated by armed groups and the businessmen and political figures associated with them. Anything from teacakes to bottled water are products imported without a transparent process, marked up at exorbitant rates, and dominated by one or a few traders with the power behind them to eliminate competitors.²⁷ Paying inflated black-market prices is often the only option for Libyans to make daily household purchases. It is also through this process that armed group members start legitimate businesses, and even philanthropic non-governmental organisations, in order to whitewash their ill-gotten gains in the eyes of the public.

The Big Paradox: Armed Groups as Anti-Smuggling Security Forces

For all the ways in which armed groups negatively impact society through smuggling activities, some armed groups do engage in law enforcement against them. One such group is the well-known Rada force, a Salafi unit that prides itself as a morality police which interdicts and confiscates the shipments of drugs and alcohol that run through Tripoli. Tripoli’s Stability Support Apparatus (SSA), led by one of Tripoli’s main armed group under Abdulghani al Kikli, operates on a mandate from the government to carry out its work, declaring in 2022 that

²⁶ UNSC Panel Report 2022, p. 33.

²⁷ Interview with Misrata businessman, April 2019.

it is dedicated to its “efforts to eliminate criminals specializing in the trafficking of fuel and human beings”.²⁸ Professionalised brigades from Misrata, such as the 444 Combat Brigade, also take considerable measures to investigate and arrest smuggler networks in towns across the western half of the country.²⁹ Soboul al Salam, a Salafi group in the east affiliated with Khalifa Haftar, has intervened to halt migrant trafficking networks despite resistance from the local community.³⁰ Actions such as these are often noted as successes in Libya’s attempt to integrate ‘respectable’ armed groups into official functions.³¹ And yet, while these examples of integration may be seen as positives, many of the very same actors are accused of arbitrary arrest of opponents and grave human rights violations. Armed groups are incentivised to take on the “anti-smuggling” mantle in order to afford legitimacy to their own activities, and which are otherwise simply seeking dominance relative to other armed groups or tribes. In an environment in which every armed group considers itself to be a legitimate security provider even as smuggling runs rampant, it is unlikely that any one group completely devoid of any association with smuggling activities.

Conclusion. Libya’s Illicit Economy is Fully Integrated

In today’s Libya, the dividing lines between formal and informal security providers and the country’s licit and illicit economies are nearly imperceptible, and both phenomena are inextricably linked and mutually reinforcing. This power that armed groups collectively wield through illicit trafficking

²⁸ “SSA Libya Launches Major Anti-Fuel Smuggling Initiative”, *Libyan Express*, 26 June 2022.

²⁹ “Libyan Army’s 444th Combat Brigade Arrests Fuel Smugglers”, *Libya Herald*, 3 August 2022.

³⁰ Horsley and Gerken (2022).

³¹ Interview with MOI official, June 2022.

with co-optation on the part of a deeply corrupted government has made intervention measures overwhelmingly ineffective. Attempts to integrate armed groups into legitimate roles has merely empowered them to continue the same activities, yet with no one but themselves in positions of power to stop it. At some point in the not-too-distant future, Libya may have little remaining but the rubble of an economic system that has hollowed out, in part by among armed groups seeking power and riches through pervasive smuggling and trafficking practices. Ordinary Libyans will be left holding the bag.

4.2. Yemen: Militarised Borders Strengthen Smuggling Networks

Ahmed Nagi

The fall of the capital Sana'a to the Ansar Allah movement (known as the Houthis) in September 2014 was a game changer in Yemen. It transformed the post-2011 uprising political tensions into an open war. This transformation was reinforced after six months, when the Saudi-led coalition began its military operations in the country. Aiming to restore the legitimated government, the coalition announced that its operations was to defeat the Houthi movement in Yemen. However, the coalition's policies since then have been focusing on another implicit goal that of controlling Yemen's land and maritime borders and preventing the anti-coalition armed groups from reaching these strategic zones. For this reason, the importance of Yemen's borders increased, especially after regional actors began planting several armed groups throughout these areas.

Yemen's Armed Groups: Borderland Control

Economic and Smuggling Networks

- Saudi military and its backed forces
- Iran-backed Ansar Allah (Houthis)
- The UAE-backed forces (STC, Elites forces, and Salafis)
- Omani-backed Mahri tribes
- The Guardians of Republic and Salafis (Saudi-UAE-backed forces)



Source: Polgeonow.com,
Ahmed Nagi

ISPI

As the war enters its eighth year, the layout of the war's landscape tells a lot about the priorities of the involved parties. Apart from the traditional classification of Yemeni territories, Yemen can be divided into two main parts; the first is the border belts, which became the scene of protracted conflicts and the focal points of various armed groups. The second is the inland areas that are strategically less important unless they are close to the border belts. This shift reflects a reality: Yemen is no longer a cause which matters only Yemenis, but also a security issue for the neighbouring countries.

On the other side, the border militarisation contributed to the emergence of border towns, which before the war were marginalised cities. The regional interests presented in these areas created an economic movement accompanying the

military dynamics. The militarised trade movement prompted many individuals to move into these border towns, especially as economic conditions deteriorated in the urban areas. There are many examples of newly-emerged border cities in different areas, such as Mahra on the Yemen-Oman border, Makha on the Yemen western maritime border, and Abs near the Yemen-Saudi borders. In economic terms, all those cities have become more active in wartime.

However, the military and economic transition in the border areas has met with the illegal economic activities that have long characterised these areas. These activities include human trafficking and goods smuggling, which were already present here in the pre-war era. Ironically, the intensive militarisation of the borderland has not been able to eliminate these activities. On the contrary, eyewitness accounts from the inhabitants of these areas point to a steady increase in smuggling and a higher presence of professional smuggling networks. This is consistent with the increased involvement of many armed groups in these activities, whether formally or informally. Today, Yemen's borders have become hotbeds of military formations and combat fronts among the warring groups. These border fronts are divided into several zones. To have a closer look at these areas, the following sections highlight each border, examining the control map and exploring the military-economic dynamics.

The Northwestern Border

Yemen's northwestern border, stretching from the Khabb wa ash Sha'af district northeast of Al-Jawf governorate to Midi coast west of Hajjah governorate, stands out as one of the most militarised areas on either side of the border. Saudi Arabia relies on using a combination of several military units³², including the Saudi Border Patrol Forces, reinforced by additional army

³² E. Ardemagni, "The Evolution of the Saudi Border Guard: Not Exactly a Local Force", ISPI Commentary, ISPI, 10 September 2020.

contingents. In addition, it relied on the inhabitants of the borderlands or so-called Al-Mujahedeen³³, whom Saudi Arabia has been consistently counting on to tackle insecurity and combat smuggling in these areas. As fighting intensified in areas adjacent to Jazan and Najran, Saudi Arabia supported the fifth zone of Yemen's internationally recognised governmental army to fight in these borderlands.

Besides, the Saudi-led coalition deployed hundreds of Sudanese soldiers³⁴ who joined the Arab coalition forces to fight in the border battles. Moreover, to ensure a higher level of security and minimise the casualty toll among its forces, the Saudis carried out extensive recruitment from Yemen³⁵ to strengthen the southern border front. These new fighters work directly under the Saudi military leadership without coordination with the Yemeni government. Attempting to bring recruits from non-Zaidi communities, the Saudi recruitment campaign targeted young people from Taiz governorate. While the number of these newly-recruited forces remains unknown, some journalistic statistics³⁶ indicate that it may reach 60,000 recruits.

For Saudi Arabia, this part of the borderland is highly sensitive³⁷ from a security perspective due to its considerable geographical complexity. It is regarded as fertile ground for security imbalances and smuggling activities. Regular Saudi attempts to combat illegal border activities before the war have largely failed to achieve their goal. This is partly due to the sectarian expansion of the Houthis on the other side of the

³³ "Jazan, Mujahedeen Forces for Securing Saudi Border", *Al-Arabya TV*, 1 September 2016.

³⁴ D.D. Kirkpatrick, "On the Front Line of the Saudi War in Yemen: Child Soldiers From Darfur", *The New York Times*, 28 December 2018.

³⁵ "Drawn by Saudi cash, Yemeni mercenaries are left high and dry", *Middle East Eye*, 12 February 2019.

³⁶ G. Al-Yusufi, "What is Behind the Military Conscription of Yemenis on the Saudi Border?", *Daraj*, 3 September 2019.

³⁷ A. Nagi, "Yemeni Border Markets: From Economic Incubator to Military Frontline", Malcolm H. Kerr Carnegie Middle East Center, 14 June 2021.

border, given the existence of tens of thousands of followers of the Zaidi and Ismaili denominations,³⁸ which are branches of the Shia faith. Saudi Arabia does not want to see any sort of Houthi influence inside its lands.³⁹ The Saudi concerns increased after reports mentioned that some Saudi border inhabitants from Zaidi community joined⁴⁰ the Houthi fighters during and after the sixth round (2009) of the “Sa’dah wars” (2004–2010) between the latter and the Yemeni government, in which the Saudis assisted the governmental forces.

On the other side, the Houthi group pushed thousands of fighters to border fronts in Hajjah and Sa’dah. The main driver of its recruitment campaigns focuses on defending borderlands. The group relies on the military forces that joined the group when it took over Sana’a in late 2014 and their fighters, “the People’s Committees”. The Houthis are heavily present in these borderlands⁴¹ due to three main reasons. First, these areas are the group’s main stronghold and the centre of its social incubators. The group’s six rounds of conflict with the Yemeni Government, which ended in 2010, occurred in these areas, and they did not want to lose them to the Saudis or the Yemeni government.

Second, the Houthi movement provides “defending borderlands” as an emblem of its military recruitment campaign among the different Yemeni communities, using the historical narrative of the grievances felt by many Yemenis towards the border agreements concluded between Yemen and Saudi Arabia (especially the Jeddah Treaty signed in 2000): this argument makes it easy for the Houthis to persuade individuals to join them. The last reason is purely economic, as maintaining

³⁸ E. Ardemagni, “[The Saudi-Yemeni Militarized Borderland](#)”, Carnegie Endowment for International Peace, 9 January 2020.

³⁹ “[The Houthis in Confidential Documents](#)”, *Almasdar Online*, 20 April 2020.

⁴⁰ J. Brandon and N.A. Heras, “[Saudi Arabia’s Yemen Intervention: A High Risk Gamble?](#)”, *The Jamestown*, 2 October 2015.

⁴¹ Z. Al-Kamali, “[Yemen-Saudi Border: Bone-breaking Battles and Non-stop Fight](#)”, *Anadolu Agency*, 13 January 2016.

smuggling routes under the control of the Houthis' fighters provides a good financial resource for the group⁴². Many border patrols have become focal points for smuggling arms, drugs and migrants into Saudi Arabia, operations with significant economic revenues.

The Northeastern Border

The northeastern borderlands extend from Khabb wa ash Sha'af in Al-Jawf to the Rumah near the Saudi-Omani border and are controlled by the Saudi-backed internationally recognised government. They include the largest desert areas in the country. Although there are no military confrontations in this area, there is a degree of militarisation,⁴³ as these areas are used as military supply lines for Saudi forces and proxies inside Yemen. Most of the forces recruited by Saudi Arabia to fight on border fronts also receive some training in camps located in this zone.

In some border frontlines, Saudi Arabia has formed a series of military brigades under its direct supervision. Most of these brigades are led by Salafists who remain sincerely loyal to the Saudi kingdom. In addition, the northeastern border strip includes the Al-Wadiah crossing,⁴⁴ the only crossing between Yemen and Saudi Arabia after the latter decided to close those in Al-Jawf and Hajjah governorates. It is worth mentioning that the control map in this region has recently begun to change, following the political changes within the Yemeni government leadership, after President Abdel Rabuh Mansour Hadi was removed and replaced on April 2022 by an eight-member presidential leadership council (PLC).⁴⁵ The newly formed

⁴² “How did the ‘Houthis’ turn the contraband trade into a source of income?”, *Al-Janad Post*, 10 May 2022.

⁴³ N. Al-Qodasi and A. Al-Jabrani, “Parallel militaries: Anatomy of the armed forces fighting Yemen’s war”, *Almasdar Online*, 3 January 2021.

⁴⁴ A. Nagi, “Saudi’s Al Wadiah Crossing Does Not Welcome You”, Malcolm H. Kerr Carnegie Middle East Center, 23 April 2021.

⁴⁵ C. Coombs, “Presidential Council Replaces Hadi”, Sana’a Center for Strategic

council brought together the representatives of all the groups in the anti-Houthi camp.

However, the launch of the PLC pushed the Saudi and the United Arab Emirates (UAE) to rearrange the military landscape on the ground in the so-called liberated areas. This includes removing several military leaders loyal to Islah (as Islah also comprises the Yemeni Muslim Brotherhood) and appointing the Southern Transitional Council-affiliated leaders, who claim greater autonomy for southern regions, or even separation from north. The rearrangement led to military confrontations that broke out in Shabwa⁴⁶ between some governmental forces and the STC-backed Shabwa Defence Forces and the Giants Brigades. On the other side, Saudi Arabia strengthened its forces⁴⁷ stationed near the border port to face any possible military or security tensions that may emerge.

Although the northeastern border zones are not currently experiencing any military confrontations, the security situation remains fragile, and these areas are considered to be one of the epicentres of smuggling networks⁴⁸, with many routes on either side of the border. Moreover, the influx of African migrants from Ethiopia and Somalia through Yemen's southern coasts continues towards these borderlands, where the migrants meet the smugglers who assist them in crossing the border. It should be noted that many migrants prefer to stay in cities near the border such as Hadramawt, Marib, or Al-Jawf, where they have access to information that helps them reduce risks when being smuggled across the border. While thousands of migrants prefer the western side of the border to reach their final destination in the Saudi kingdom, others prefer the northeastern side due

Studies, April 2022.

⁴⁶ “Clashes in oil-rich Shabwa test Yemen’s new presidential council”, Reuters, 11 August 11, 2022.

⁴⁷ “Saudi Military Forces Arrive to Al-Wadiah Crossing”, *Alyoum Al-Sabea*, 18 August 2022.

⁴⁸ A. Nagi, “From Frying Pan to Fire”, Malcolm H. Kerr Carnegie Middle East Center, 8 March 2019.

to the absence of military confrontations, which makes the migration process less risky.

The Eastern Border

In light of its remoteness from the conflict zones, the Yemen-Oman borderland remained relatively stable during the first three years of the conflict. However, in November 2017, the governorate of Mahra witnessed the arrival of the first Saudi military forces on its lands. Upon their deployment, the Saudi forces together with other Saudi-backed local military units took control of the governorate's vital institutions, including Ghayda Airport, Nashtun Seaport, and the coastal military camps among others. This triggered the spark of resistance among the Mahri tribal community,⁴⁹ who viewed these moves as a Saudi attempt to undermine borderland stability and place more restrictions against them.

On the other side, the intensive Saudi military presence in Mahra pushed the Sultanate of Oman to depart from the neutral stance it had adopted since the coalition military campaign began in 2015. As a way to show its resentment towards the deployment of the Saudi-led coalition, Oman started supporting the Mahri tribes who refused the Saudi and UAE military presence in the governorate. Given the social and cultural links along the Oman-Yemen border, Oman has been dealing with the Mahri tribes as a line of first defence ever since Dhofar rebellion that ended in 1976. To show its opposition, the Mahri tribes organised an open sit-in in Al-Ghayda city⁵⁰ demanding that Saudi forces leave the governorate and hand over the public institutions and positions to the local authorities. However, the peaceful sit-ins were accompanied by a state of continuous militarisation, especially after Saudi Arabia

⁴⁹ Y. al-Sewari, "Yemen's Al-Mahra: From Isolation to the Eye of a Geopolitical Storm", Sana'a Center for Strategic Studies, 5 July 2019.

⁵⁰ Ibid

deployed more forces in almost all the governorate districts, which forces are currently stationed in six military zones and dozens of deployed checkpoints.

According to Saudi-led coalition, the security deployment is a step to protect Mahra from the terrorist groups. In addition, the military presence in Al-Mahra is seeking to combat smuggling activities in the governorate, which have increased since the outbreak of the war. The coalition claims that Mahra is one of the key points that the Houthis are using to smuggle weapons and missiles. Nevertheless, the militarisation of the Yemen-Oman border cannot be disentangled from the hidden tensions between Riyadh and Muscat, especially after the latter refused to join the coalition campaign and maintained good relationships with the Houthi group.

In fact, smuggling is a well-entrenched phenomenon in Mahra and an important economic activity, especially in the coastal districts. However, many of the items smuggled are legal goods such fuel, cars, and foodstuffs. The remote location of Mahra and the weakness of the central government facilitate these economic activities. During the last three years, the Saudi-led coalition forces announced the dismantlement of several Houthi-related smuggling operations, some of which dealt in weapons or materials used for military purposes. The coalition implicitly and explicitly accused Oman-backed tribal entities in Mahra of such activities. This accusation was denied by the Mahrīs, who described such claims as a fig leaf to justify the militarisation of Mahra.

Today, the Omani-Yemeni borderland is becoming a militarised zone, witnessing regular tensions between the Saudi forces and the Omani-sponsored armed tribesmen⁵¹. And despite the relative calm currently taking place in the province, Yemen's military and political changes could escalate at any moment on this front.

⁵¹ A. Nāgi, “Mahra, Yemen: A Shadow Conflict Worth Watching”, Malcolm H. Kerr Carnegie Middle East Center, 20 February 2020.

The Southern Maritime Border

Unlike other border zones, the southern maritime borderlands have different dynamics. They are a priority area for the UAE, whose proxies intensively stationed there.⁵² The UAE-backed military and security forces deployed on the coastal are decentralised. The Hadrami Elite Forces control the Hadramawt coast, while the Shabwa Defence Forces, the new name of the Shabwaniyah Elite Forces, control all coastal districts of Shabwa governorate, especially after removing the anti-UAE governmental forces from these locations. The Security Belts and other security forces of the Southern Transitional Council (STC) dominate the rest of the coastal areas.

With more than 1000 km of coastline extending from Mahra to Aden, the southern maritime border is the most common route of entry for contraband from the sea. The smugglers usually depend on small and medium-size boats to transport the smuggled goods. Moreover, this area is the main gateway for the waves of migrants coming regularly to Yemen from the Horn of Africa. Smuggling has become an economic resource for coastal populations, especially as economic opportunities have faded since the start of the war in 2014. Most of the smuggling activities in these areas are managed through organised smuggling networks and have extensive interrelationships with Yemen's conflicting groups. This happens despite the militarisation process in these areas.

The border militarisation is not limited to the coastal zones, but extends to Yemen's islands in the Gulf of Aden, which over the past years have witnessed a military race between the UAE and Saudi Arabia. The Socotra Archipelago has become the scene of several military tensions⁵³ since 2018 and at the beginning of 2020; armed clashes broke out between Hadi's

⁵² G.D. Johnsen, "[The UAE's Three Strategic Interests in Yemen](#)", Arab Gulf States Institute, 24 February 2022.

⁵³ A. Naji, "[Socotra, Out of One Cyclone and Into Another](#)", Malcolm H. Kerr Carnegie Middle East Center, 21 January 2020.

government forces and the STC and UAE-backed military formations, ending with the latter taking over local authority on the island. Today, the island is hosting Saudi military forces ranging in number from 2,000 to 2,500.⁵⁴ The UAE, despite having fewer troops on the island, has worked over the past three years to form its own local military forces, in addition to pressuring to appoint a loyal governor for the island. This has made the island part of the UAE's sphere of influence in the region.

The Western Maritime Border

Given its proximity to the Horn of Africa, the western coast, which extends from the Dhu Bab area of Taiz to the Tuhita district of Hodeida governorate, is one of the most active smuggling routes. It is the most strategic of all of Yemen's border areas. It includes the Strait of Bab al-Mandeb, a narrow neck of water that separates the Red Sea from the Indian Ocean. Around 4.8 million barrels⁵⁵ a day of crude and petroleum products flow through the strait, with about 2.8 million going north toward Europe, and another 2 million moving in the opposite direction.

Since its military operations began, the Saudi-led coalition's main focus has been on keeping this border area outside of the influence of the Houthi movement. The first battle the coalition fought was in mid-2015 near Aden, with the goal of pushing the Houthis back to the inland governorates, where the coalition's support for locals fighting the Houthis was less enthusiastic. After defeating the Houthis in Aden, the troops led by the coalition-backed Giants forces, the Tehami resistance brigades, and other forces⁵⁶ continued towards the west coast

⁵⁴ *Ibid*

⁵⁵ "What is the Bab el-Mandeb Strait and Why is it Important", G Captain platform, 26 July 2018.

⁵⁶ *Ibid*

until they reached Hodeida in mid-2018, before the UN intervened and stopped the hostilities through the Stockholm Agreement⁵⁷ in December 2018. This divided Hodeida between the two warring sides, before the coalition decided in late 2021 to withdraw from large areas and redeploy its forces in other locations.

Tariq Saleh, the nephew of former Yemeni President Ali Abdullah Saleh, broke the pact with the Houthi group following the collapse of the alliance between the Houthis and the former president, who revolted against the group before he was killed in December 2017.⁵⁸ This transformation pushed Tariq to join the Saudi-led coalition. Aiming to benefit from the legacy of his uncle, the coalition supported Tariq Saleh in establishing a new military force called “the Guardians of the Republic”,⁵⁹ which became the major force securing the western maritime border, including the Bab al-Mandeb Strait. The forces are headquartered in the city of Al-Makha and control several locations in the neighbouring area. Unofficial statistics estimate the number of these troops to be around 30,000 combatants,⁶⁰ together with some of the coalition’s other military formations located in the same areas.

Over the past decades, Yemen’s western coast has been known as one of the country’s most popular smuggling routes.⁶¹ With the disintegration of the Somali state in the 1990s, smuggling networks have been very active off Somalia’s coast, using the Yemeni coasts as well in their activities. These networks smuggle almost everything including drugs, prohibited agricultural

⁵⁷ The Office of the Special Envoy of the Secretary-General for Yemen, “[Full text of the Stockholm Agreement](#)”, December 2018.

⁵⁸ “[Ali Abdullah Saleh, Yemen’s former leader, killed in Sanaa](#)”, BBC, December 4, 2017.

⁵⁹ “[Who are the UAE-backed Forces Fighting on the Western Front in Yemen?](#)”, The Armed Conflict Location & Event Data Project (ACLED), 20 July 2018.

⁶⁰ “[The Number of the Forces of the Guardians of Republic](#)”, Almasahad Alyemeni, December 2020.

⁶¹ “[Mokha Port: From the Source of Yemeni Coffee to the World to a Port for Smuggling](#)”, Al Ain, 1 January 2017.

toxins, and weapons among others. Given the military deployment along the western coast, the smuggling activity has been reduced in some areas, but smuggling networks began relying on new routes outside traditional zones to continue their activities.

On the other side of the western coast, the Houthi forces are stationed. Since the battle of Hodeida in 2018, the Houthis reinforced the western coastal lands with thousands of fighters in order to prevent any advancement from the coalition-backed forces. Today, the Houthis control most of the maritime border of Hodeida and manage the key port of Hodeida beside al-Salif seaport. Moreover, these areas give the Houthi group an access to the Red Sea, through which the group manages to receive the support it needs. In the last seven years, many reports have indicated that the Houthis are obtaining an increasing number of weapons from the Iranians via these coastal routes. In addition, the Houthis use this maritime access to expand their military activities in the Red Sea.

Conclusion

The increasing border militarisation in Yemen is not a temporary dynamic brought about by the ongoing war. In fact, it is a process that will shape the geopolitics of Yemen in the long term. Border security is the biggest concern for the Saudis and it is the main topic of their talks with the Houthis during the different negotiation rounds. The ideas of creating a border buffer zone or building border barriers are among the solutions that the Saudis suggest to prevent any possible threat. Regardless of what border measures could be agreed upon in the future, the border militarisation trend is likely to increase in the post conflict Yemen.

On the other side, the UAE will continue supporting its proxies on the southern and western maritime borders in order to keep watch on maritime shipping routes, preventing other armed groups in Yemen from reaching these areas. On the

eastern front, Oman will remain concerned about the growing Saudi military presence near its borders, and this will push it to increase its support to the Mahri tribes, putting the remote governorate of Mahra as a field of competition between the two neighbouring countries.

With the continuation of the fighting in interior areas between local actors and the lack of trust discouraging Yemenis from moving towards any political compromise, it is obvious that strife and fighting will only expand in the coming years. For this reason, Yemen remains fragmented in many peripheries with no one unified centre, just as the growing militarisation of its borders is strengthening smuggling networks, due to the economic role played by the armed groups.

5. Libya and Yemen's Governance of Maritime Boundaries

5.1. How Mafiasation Destabilises Libya's Economy and Migration Control

Tarek Megerisi

Over the past ten years of turmoil and upheaval, Libya's political economy has been fundamentally altered. Despite the role of political and business elites in continuously setting ever worse examples of malpractice, it is Libya's militia class which have truly become the biggest beneficiaries of the state of Libya's dissolution. Since 2012, militias have undergone a process of "mafiasation", savvily leveraging the politicians' need for protection, or employing them to neutralise opponents, in order to muscle in on their corrupt schemes and gain official status. Mafiasation means that Libya's armed groups have quickly evolved from opportunistic young-men to petty thugs and criminals, and today are largely white collar criminals who retain the capacity for extreme street violence. This has had a definitive impact on many core areas of European interests, from protecting energy supplies to migration and regular economic activities. If Europe is to find a stable and constructive way of managing the relationship with, and normalising activity in, the heart of the Mediterranean it is going to have to better

understand how Libya has changed and how to temper these changes.

Mafiaisation

A catalyst for Libya's mafiaisation has been the de facto division of the country since 2014 under two administrations, both in desperate need of might to make right their lack of legal or political legitimacy. The trailblazer for this new nexus was the then renegade General Khalifa Haftar who made a bargain with key tribes in eastern Libya to back his war for supremacy in Cyrenaica. Whilst it was marketed as a war on terror, this deal provided tribal forces the tools of war to displace wealthier urbanites in Benghazi and seize their land and assets, and then eventually dominate the public sphere. The last part was key, as despite fighting a violent revolution to rid themselves of Muammar Gaddafi in 2011, his rentier style governance system remained in place. So, in Libya true power and wealth comes from access to state coffers and the resultant ability to build patronage networks by providing government positions for others.

In western Libya, a similar system of violent co-option of the state developed in a slightly different way. While groups from the cities of Zintan and Misrata, two powerhouses of the 2011 revolution, each attempted their own version of Haftar's state capture, power was simply too diffuse in western Libya for any one group to predominate. So instead, armed groups grew in power and inertia through rent-seeking if any key state assets or valuable businesses were situated in their local area, if not, then petty crime often sufficed. This was exacerbated by local elites who, like Central Bank Governor Sadiq el-Kabir, traded protection for an inside track for militias to make money through the banking sector or international credit systems. In other cases, best seen with the then Presidency Council under Fayez el-Serraj, key state assets such as the Libyan Post and Telecommunications Company were handed out to friends, instigating a system of trickle down corruption.

As is ever the case, eventually money was no longer enough and the armed groups looked for wealth and power. Wealth was essential to reshape economies and ecosystems, also to ensure the centrality of the armed groups while power, through wealth but also thanks to the official rank, allowed them to control key components of the interior and defence ministries, providing to the armed groups a platform to forge international connections. Ironically, following Haftar's failed putsch in 2019-2020, the patterns of power in east and west Libya were reversed. Western Libya continued a trend of centralisation into official institutions that began pre-2019 with a consolidation of power over the capital by a group of local militias dubbed the 'Tripoli Cartel.' Meanwhile in eastern Libya, despite the lingering presence of the Libyan Arab Armed Forces (LAAF), actual control has often splintered to fiefdoms, with the LAAF central command retaining very loose operational oversight or command and control capacity.

International Catalysts

Given Libya's riches and internationalised conflict, the fact that international actors have often aggravated Libya's mafiaisation may be unsurprising, although the roles played by European countries in particular should give cause for consternation and reflection.

The most controversial example is France's active sponsorship of Haftar's LAAF. Here, a policy nominally about counter-terror cooperation morphed into political patronage, military assistance to facilitate these political goals, and active diplomatic shielding and protection. This backing and protection provided Haftar absolute impunity and shielded him from ever having to engage with other Libyan entities. This enabled Haftar not only to advance militarily but also to reshape the local economy and divide the country administratively. For example, the robbery of the Central Bank of Libya's Benghazi headquarters

by Haftar's son Saddam¹, and the impunity he was afforded for it despite ample evidence of his involvement, triggered a liquidity crisis in eastern Libya that resulted in Russia printing a parallel currency. Over the years, until his failed war on Tripoli and forced unification talks, Haftar's violent coercion of private Libyan banks to fuel his criminal and military activities created so much debt that Libya's entire banking system could have collapsed, had it not been for restrictions eventually placed by the Central Bank, which also reinforced the east-west divide created by Haftar. This debt burden still needs to be resolved. Aside from banking, the cannibalisation of eastern Libya's economy by Haftar's Military Investment Authority has created a highly corrupt entity which hampers efforts to reconstruct devastated cities like Benghazi and Derna or engage in infrastructure upgrades.

However, in western Libya, Europeans have also indirectly allowed Libya's mafiaisation, distorting opportunities to create sustainable processes for protecting key interests. Migration and human trafficking became a key business of the rent-seeking shadow economy following the 2014 civil war. As the crisis came to a head in Europe and Italy, the then Italian Interior Minister Marco Minniti developed² a plan that provided Italy greater control over migration flows across the Mediterranean: however, this resulted in formalising and empowering the very groups who trafficked them. This eventually led to the creation of an entire infrastructure of migration detention centres across Libya, empowering the militias who controlled the centres to impose themselves as formal entities within the Libyan Ministry of the Interior, while remaining independent of any civilian control or oversight. Moreover, this new Libyan system generated its own miniature economy based on capturing Sub-Saharan Africans or other non-Libyans to boost the amount of

¹ "Haftar's son moves millions from Central Bank of Libya", *Middle East Monitor*, 14 September 2018.

² L. D'Agostini, "Italy's Failed Migration Fix has Led to Chaos in Libya", *Foreign Policy*, 29 January 2020.

money and support these groups would receive from Europe, allowing them to become powerful entities in their own right.

Finally, unofficial policies pursued by European states, and also the role of criminal organisations, have helped the rise of a corrupt class of oligarchs in Libya, which then became a powerful obstacle to change, and also empowered smuggling gangs into becoming a major drain on Libya's political economy. The decision by Europe's RELEX (Working Party of Foreign Relations Counsellors) to issue a highly controversial interpretation of the United Nations Security Council's sanctions regime on Libya has allowed for a constellation of highly opaque and complex financial mechanisms that enable Libya's oligarchs and select European partners to pay money out of and profit from what should be frozen assets of the country.³ Whilst this is largely under the radar, the fight over control of the Libyan Investment Authority – the institution which formally controls most of these assets – across multiple Libyan administrations is a useful indicator of how highly prized and lucrative this has become. Similarly, the smuggling of fuel from Libya's refinery in the western town of Zawiya has long been a source of valuable rent to western Libya. Despite extensive documentation of this in United Nations Panel of Experts reports, including on how much of this refined fuel is illicitly smuggled offshore, likely towards offshore storage units near Malta,⁴ this business and the gangs who control it continue to thrive while official European policy turns a blind eye.

³ G. Paravicini, "Millions flow from Gaddafi's 'frozen funds' to unknown beneficiaries", *Politico*, 18 February 2022.

⁴ "Multi-million fuel smuggling operation coordinated from Malta", *Times of Malta*, 3 May 2018.

Human Traffickers: The Maritime Face of Mafaisation

The result of the mafaisation of Libya is a country where the government controls very little of what goes on, leaving its borders, and the management of key issues such as migration, in the hands of non-state actors or powerful international players. This in turn shaped the consolidated, mafaised state which Libya eventually settled into.

The opportunities created for people traffickers and armed groups on the western coast of Libya by migration policies led to their ultimately successful attempts to be co-opted⁵ by official bodies in order to institutionalise themselves. This often occurred working alongside the burgeoning counter-smuggling industry to mutually maximise the benefits resulting from European interests and activities. This means that today the Libyan government is unable to effectively control its maritime borders, or its policy tools for migration which remain in the hands of armed groups who have official uniforms without official control. This co-option affects not only the Libyan government's ability to control this issue, but also that of other countries' governments. By making themselves official components of the interior ministry whilst shirking any responsibility or obligation that accompanies that role, Libyan militias positioned themselves for receiving continued training and equipment provided by Europeans to counter smuggling. However, Europeans gained no oversight or influence over either the people trafficking or counter-people trafficking businesses that these militias thrive upon. So, despite the great cost and effort of multiple counter-migration policies, Libya's migration trails have not been shut down but have only been made more convoluted.

⁵ M. Micallef, "[The anti-human smuggling business and Libya's political end game](#)", Institute for Security Studies (ISS), Jan 2018.

In eastern Libya, Haftar took a different approach. Worried about the relationships with individual units, and about access to areas under his control which could be gained through cooperation on migration, Haftar pushed back against Tripolitanian agreements with Italy by threatening⁶ to attack any Italian vessels entering Libyan waters. This has resulted in less visibility over maritime and migratory dynamics in eastern Libya. It has also helped Haftar and his backers craft a false narrative that his securitisation and control over Cyrenaica has allowed them to control migration. Many factors lead to less migration from Cyrenaica than Tripolitania, but it is a persistent phenomenon⁷ and more recently appears to be spiking, as can be seen from the increased number of Egyptian migrants⁸ – who often depart from Cyrenaica to reach Italy and, to a lesser extent, the Greek island of Crete. By effectively scaring off European counter-migration activity, Haftar has allowed himself the space to craft his own narratives, but crucially retains the threat of increasing migration as leverage over Europe – much like Gaddafi once did.

Conclusion: Highly Security-Focused Policies Only Empower Libya's Armed Groups

Libya's mafiaisation has been the product of the environment of anarchy and narrow minded political contestation that has developed since the 2011 revolution. This was evident in the mindset of armed groups who progressed from profiteering towards institutional and economic domination. They have often been helped along the way by international actors,

⁶ R. Sanchez, "Libyan military strongman threatens Italian ships trying to stop the flow of migrants", *The Telegraph*, 3 August 2017.

⁷ AP, "At Least 19 migrants missing after boat capsizes off coast of Libya", *The Guardian*, 12 March 2022.

⁸ "Over 18,000 migrants arrived in Italy since beginning of 2022 says government", *Libya Update*, 1 June 2022.

some of whom actively work to maintain this environment, believing that eventually they and their local proxy will win. For Europeans, a hyper-focus on key interests like migration or counterterrorism has inadvertently resulted in a boomerang effect, securing very short-term goals at the expense of a stable long-term policy. In other cases, Europe's reluctance to confront the role that its choices have played in Libya's corruption and the dark money being continuously pumped from Libya across the Mediterranean means, for Europeans, to lose a key piece of leverage over Libya's elite. This behaviour neglects a key faultline which must be reckoned with if the country is to stabilise, especially given the trickle-down nature of Libya's multifaceted corruption.

Given the problems previously created through hyper-focused policies, and the fact that mafiaisation and its symptoms are the product, rather than the cause, of any one particular dynamic, Europe must take a big picture approach if it is to stabilise the heart of the Mediterranean. This means shirking narrow partnerships with particular armed groups or political proxies, and instead supporting a broader policy of political transformation. Whilst this may sound a daunting goal, it can simply involve more active support for the long-established United Nations' goal of instigating political change in Libya through elections. Moreover, Russia, Turkey, the United Arab Emirates and others have shown they are far more effective than Europe at playing the game of proxies, so it behoves Europe strategically and tactically to play on its strengths instead. Through more active management of Libya's elite, including utilising key financial mechanisms to incentivise them to hold elections, and supporting Libyans to craft a strong mandate for the next government, Europe can help Libyans take a big step towards reforming the environment of anarchy into one that can support the reconstruction of a state.

5.2. Yemen's Coastal Lords: The Economics of "Multi-Governed" Maritime Boundaries

Eleonora Ardemagni

In Yemen, the warlord-controlled economy incorporates a significant maritime component. In fact, armed groups – with varying degrees of opposition to or alliance with the internationally recognised government – control most of the country's coastline, port cities and islands, profiting from fees, customs duties and smuggling networks.⁹ Local forces, intermediaries and middlemen make the armed groups' economic webs even more opaque, often due to their hybrid nature. Political-military fragmentation negatively impacts the governance of maritime boundaries, undermining both national sovereignty and regional security. This situation is also complicating the rebuilding of an effective and de-politicised Yemen Coast Guard (YCG), whose goals currently appear to be driven more by external powers' than by national interests.

⁹ I'm grateful to Ahmed Nagi for his precious comments on an earlier version of this chapter.

Yemen: Known Maritime Seizures of Trafficked Weapons Through Dhows

2015-2021



Source: GITOC, UN Panel of Experts on Yemen, US Central Command, Australian Navy

ISPI

Mapping Yemen's Fragmented Port Control

The majority of Yemen's port cities, including its international seaports,¹⁰ are run by armed groups who are formally affiliated with the regular security sector – with the exception of the Houthis – but who continue to answer to local and regional players. Close to Saudi Arabia's south-western border, pro-Saudi forces, comprised Sudanese soldiers, control the port of Midi (Hajja governorate). Despite the Stockholm Agreement, the

¹⁰ Aden, Hodeida, Mukalla, Mokha and al Salif. These ports are equipped to receive goods and ships and to provide cargo unloading and storage services. The major ports for oil and gas export are Ras Isa (Red Sea), Balhaf and Ash Shihr (Arabian Sea).

Houthis are still present in the Red Sea ports of Hodeida, Ras Isa and al Salif. Since 2015, these ports have been subjected to a naval blockade imposed by the Saudi-led coalition to prevent Iranian weapons being smuggled to the Houthis in cargo vessels. In this context, the UN Verification and Inspection Mechanism (UNVIM) is tasked with inspecting commercial ships docking in the area. Close to the Bab el-Mandeb choke-point, the Joint West Coast Forces led by Tareq Saleh (nephew of the former president) and backed by the United Arab Emirates (UAE) control the ports of Khawkha, Mokha and Dhuhab. These forces illegally collect revenues and entry fees for fuel at the Dhuhab checkpoint.¹¹ In the provisional capital, Aden, the UAE-backed Southern Transitional Council (STC) *de facto* controls the city and the deep water port.¹² The same occurs in Mukalla and Ash Shihr (Hadhramawt governorate) with the presence of the STC-affiliated Hadhrami Elite Forces (HEF). The ports of Aden and Mukalla are crucial for shipping traffic between the Arabian Peninsula, the Horn of Africa and Asia; Mukalla is also an entry point for containers.¹³ In the south-eastern governorate of Shabwa, in which “smuggling networks play a crucial role in the continued flow of arms, people, drugs and fuel into the north”,¹⁴ the UAE-backed Shabwa Defence Forces control Balhaf, which hosts the country's only LNG (Liquefied Natural Gas) terminal. In Mahra, pro-Saudi local forces control the ports of Nishtun and Ghayda, alongside Saudi soldiers. Though an informal economy has always existed along the Yemeni-Omani border, since 2015, the area has turned into a key transit point for smuggling, triggering competition for

¹¹ United Nations Security Council, *Panel of Experts on Yemen*, Final Report 2022, S/2022/50, pp. 13-14.

¹² With an estimated capacity of up to 10,000 TEUs (twenty-foot equivalent units).

¹³ T. Eaton, R. Mansour, L. Khatib, C. Cheng, J. Yazigi and P. Salisbury, *Conflict Economies in the Middle East and North Africa*, Chatham House report, June 2019, p. 19.

¹⁴ Ibid.

infrastructure control between local and regional players. In the Socotra archipelago, the STC holds the main port city of Hadiboh, with few UAE soldiers.

Armed Groups, Port Cities and Economic Networks

The armed-group-driven economic networks growing *in* and *from* Yemeni port cities epitomise the country's black (illicit) and grey (informal) markets and their vague boundaries. According to the *UN Panel of Experts on Yemen 2022*, armed groups have succeeded in controlling local finances through: the confiscation of assets and funds from individuals and entities; the receipt of funding from cross-border sources; engagement in black-market commerce and imposition of illegal fees on the import of fuel and other business activities; counterfeiting, smuggling and the trafficking of narcotics, drugs and psychotropic substances, currency notes, antiques and antiquities; the collection of non-tax revenue and *zakat*; the collection of customs duties and taxes.¹⁵

Yemen's armed groups often collect port fees directly. For instance, the STC allegedly levies fees of about 12 YRIs (Yemeni riyal) per litre on imported fuel passing through the port of Aden.¹⁶ The Houthis continue to collect revenues from the ports of Hodeida, al Salif and Ras Isa, partly exploiting the lack of clarity of the *Stockholm Agreement* which assigns port security to "local security forces" without specifying who should have authority over the Hodeida branch of the Central Bank. In 2020, importers rerouted shipments to the formally government controlled ports of Aden and Mukalla, increasing the total fuel inflow to government held areas.¹⁷ In fact, according to the *International Crisis Group*, only 17% of Yemen's fuel imports

¹⁵ Quotation from the *UNSC Panel of Experts on Yemen*, Final Report 2022, p. 38.

¹⁶ Ibid.

¹⁷ *Brokering a Ceasefire in Yemen's Economic Conflict*, International Crisis Group, Report 231, January 2022, p. 28.

arrived in Houthi-controlled Hodeida in October 2021, compared to 43% in October 2017.¹⁸ This, however, did not affect the Houthis' finances as much as expected: most of Houthi fuel income in 2020 and 2021 "likely came not from taxes and fees at Hodeida, but from their control of the supply chain and sales via the Yemen Petroleum Corporation and the parallel market".¹⁹ Anyway, illicit economic practices are not organised only by armed groups in a country ravaged by chronic corruption, as Yemen is. Businessmen often accuse government officials of asking for bribes in exchange for the approval of shipments, even in Hodeida and despite the presence of the UNVIM.²⁰ In 2019, the recognised government also approved a decree, contested by the Houthis, requiring the payment of customs and taxes before shipments enter the ports of Hodeida province.²¹

Arms Smuggling Routes

Smuggling is another of the economic activities practised by armed groups in Yemen. Against this backdrop, "multi-governed" maritime boundaries become drivers of profit, since they maximise grey markets, opaque supply routes and plausible deniability between groups. At the geographic crossroads between the Arabian Peninsula, Africa and Asia, Yemen has been a focal point for the informal economy at least since Ali Abdullah Saleh's presidency. Routes and entry points have not changed much with respect to the period prior to the 2015 war. With regard to weapons, Yemen was already a heavily armed country. Mukalla (in Hadhramawt) and Ghayda (in Mahra, close to the Omani border) remain entry points for smuggled goods from the Horn of Africa and the Indian Ocean respectively. In particular, smuggled weapons usually enter Yemen on small boats (*dhow*s)

¹⁸ Ibid.

¹⁹ Ibid., p. 31.

²⁰ Ibid., p. 8.

²¹ Ibid., p. 22.

and fishing vessels through Mahra's port cities (mainly Nishtun and Ghayda, however the whole Southern coastline is involved), as well as across land frontiers. The port cities of Mahra are also entry points for drugs coming from the coast of Makran (Baluchistan) between Iran and Pakistan.

Since the war broke out in 2015, new dynamics and actors have emerged, especially connecting local players to regional powers. Since 2015, international naval forces have intercepted twelve consignments of arms (mostly rifles), reportedly destined for the Houthis. Smuggled Small Arms and Light Weapons (SALW) for the Yemeni Northern Shia movement are trafficked from Iran (mainly Jask island) into Somalia, with Puntland (Bosasso) as focal entry point. These are then trans-shipped to Yemen, reaching Houthi controlled areas through the Arabian Sea or the Bab el-Mandeb and the Red Sea.²² According to the *Global Initiative Against Transnational Organized Crime* (GITOC), at least one Somalia-based trafficking network is also "intricately involved in the maritime transfer of SALW from Iran to the Houthis".²³ Some armed groups are unable, or perhaps unwilling to stop rivals' smuggling activities in the areas they hold. For instance, the Joint West Coast Forces in Yemen's Southern Red Sea coast failed to stop the smuggling of small weapons, fertilisers and fuel to Houthi-controlled regions, with negative implications for their image in the eyes of local populations and fighters.²⁴

²² J. Bahadur, *An Iranian Fingerprint? Tracing Type 56-1 assault rifles in Somalia*, Global Initiative Against Transnational Organized Crime (GITOC), Research Report, November 2021.

²³ Ibid.

²⁴ *UNSC Panel of Experts on Yemen*... cit., p. 13.

From Counterterrorism to Anti-Smuggling: Role and Limits of the Yemen Coast Guard

The Yemen Coast Guard (YCG) is mandated to maintain border integrity as well as deter and disrupt illegal activities, included transnational organised crime flows (weapons, drugs, human trafficking), piracy and terrorism. However, the YCG now reflects Yemen's political-military balance on the ground: in other words, it is currently a fractured agency split between Houthi controlled units (Hodeida) and anti-Houthi groups close to the UAE and Saudi Arabia (Bab el-Mandeb and the Arabian Sea). Since the war began in 2015, the YCG has been reduced from 2400 personnel to about 120 in Aden; however, new recruits coming from the armed groups were hired by Tareq Saleh and Saudi Arabia, respectively in Mokha and Mahra. The YCG's headquarters in Sanaa was destroyed, including procedures and processes, and the remaining personnel "are trying to rebuild the Coast Guard based on institutional memory".²⁵ Politicisation has added to the YCG's chronic lack of capacity²⁶ since its foundation in 2002, due to poor resources, equipment and training. During Saleh's presidency, high levels of corruption, even within the YCG, had already contributed to the flourishing of smuggling along the coasts.²⁷ Since 2015, control of Yemeni ports and waters has been divided between the YCG and the Saudi-led Coalition, with the latter controlling the internal access of containers and bulk cargos.

²⁵ United Nations Development Programme-United Nations Office on Drugs and Crime, Joint Programme Document, *Maritime Governance to promote security and safety in Yemen*, 2020-2021 project, 26 February 2020.

²⁶ For instance, suspicious approaches to commercial vessels in the Red Sea were reported: "in at least two cases, the reported suspicious approaches turned out to be hailing by the Yemeni Coast Guard, which was not conducted in line with international procedures". *UNSC Panel of Experts on Yemen*, Final Report 2022, p. 20. On the YCG, see E. Ardemagni, "Rebuilding Yemen's Maritime Forces Hobbled by Internal and External Rivalries", The Arab Gulf States Institute in Washington, Blog post, 6 August 2020.

²⁷ *UNSC Panel of Experts on Yemen*, Final Report 2021, S/2021/79, January 2021.

However, this has not prevented the strengthening of informal economic networks. It is not by chance that, with respect to the 2000s, the YCG has changed its focus from counter-terrorism activities to deter al Qaeda in the Arabian Peninsula (AQAP) to anti-smuggling operations to counter the smuggling of arms to the Houthis. For this reason, since 2020, the YCG has stepped up patrolling activities in the Red Sea (close to the Bab el-Mandeb), and along the Eastern coast near Mahra.

Rebuilding and Reforming the Yemen Coast Guard

Alongside internal efforts, attempts to rebuild and reform the YCG have often been externally driven. This confirms just how critical Yemen's waters are for regional security. In the 2000s, under the framework of the "war on terror", the United States played a decisive role in enabling the YCG to secure the coastline after al-Qaeda's attack on the *US Cole* in Aden (2000) and the events of 9/11. The US provided money and equipment and supported the establishment of a Coast Guard intelligence organisation. Apart from the US, international equipment and training for the YCG, whose officers were selected from the navy and police, came from the UK, France, Germany, Italy,²⁸ Japan, Pakistan and Malaysia. At the National Dialogue Conference (2013-14),²⁹ Yemenis agreed upon the immediate redistribution of 30% of security manpower to naval and coastal defence forces, while recommending that the Coast Guard Authority fill staff shortages, establish infrastructures in the Eastern region, and fully transfer responsibility for border control to the Ministry of Interior.³⁰ Nevertheless, the 2015 war put a stop to the internal implementation of reforms, once again leaving regional powers room for manoeuvre. In fact, since 2016, Saudi Arabia and the

²⁸ In 2012, the Italian Coast Guard trained the YCG. Rome was responsible for training on migration flow management.

²⁹ The assembly tasked to revise the Yemeni constitution.

³⁰ National Dialogue Conference, *Outcomes Document*, 2013-2014.

UAE have begun rebuilding YCG units in Hadhramawt and in the liberated Bab el-Mandeb area, focusing on equipment and training. The Saudi-led coalition handed over responsibility to the YCG in Hadhramawt (in 2018) and then in the Bab el-Mandeb (2019), when the Emiratis left the strategic islands of Perim/Mayyun and Zuqar (Hanish) to the Joint West Coast Forces led by Tareq Saleh. In 2016, the YCG restarted bilateral cooperation and joint drills with the US Navy, also joining the International Mine Countermeasures Exercise (IMCMEX).

Ports, Armed Groups and Yemen's Maritime Border Governance: Whose Security?

Currently, Yemen's commercial ports fall under the black and grey economic systems strengthened by the conflict. However, if stabilisation were to be achieved, they could become drivers of economic recovery, capitalising on the country's unique geographic position. The 2015 war has also severely damaged maritime infrastructures as the result partly of Saudi-led coalition airstrikes, and partly of Houthi missile and drone attacks.³¹ The possibility of effectively tackling smuggling and, more broadly, armed groups' economic networks is practically inexistent without a national peace agreement, starting with a permanent ceasefire. On maritime border governance, there are two complementary levels of action which could improve security and help counter smuggling. The first is regional and international support to reform the YCG involving not only Saudi Arabia and the UAE, but also the US, other foreign powers and international organisations.³² Such reform should

³¹ On September 2021, a Houthi missile and drone attack against the port of Mokha severely damaged the infrastructure after reconstruction. The area was no longer a war zone and the port had just reopened to commercial activities.

³² For instance, since 2018 the United Nations Office on Drugs and Crime (UNODC) has been supporting the rebuilding of the YCG as part of the joint UNDP-UNODC Programme on Maritime Governance to promote security and safety in Yemen, focusing on training but also on gender integration.

be combined with integration efforts: experienced combatants should be integrated into the YCG to maximise local capabilities and disincentive illicit activities while improving coastal and port security.³³ The second level involves multinational naval anti-smuggling initiatives. The establishment of the *Combined Maritime Forces-153* mission in 2022 in the Red Sea, the Bab el-Mandeb and the Gulf of Aden fits this purpose by focusing on international maritime security and capacity building efforts.³⁴

Addressing Yemen's maritime border governance and rebuilding the YCG without a nationwide political agreement among Yemenis is likely to engender two negative results. First of all, doing so would lead to "segmented" Security Sector Reform/Governance (SSR/G) projects.³⁵ Saudi and Emirati restructuring of the YCG in Hadhramawt and the Bab el-Mandeb area, for example, limits prospects for comprehensive SSR/G for coastal and naval forces. Secondly, externally driven projects are likely to prioritise the interests of foreign powers while neglecting practical security concerns and local development in Yemen. This approach would further empower the nation's warlord economies, including their maritime components, rather than contain them.

³³ See E. Ardemagni, *Integrating Yemen's Armed Groups: Pathways of Decentralisation*, ISPI Policy Brief, July 2022.

³⁴ E. Ardemagni, "The CMF-153: Rebuilding US-GCC confidence through maritime security", Middle East Institute, 11 May 2022.

³⁵ E. Ardemagni, "Reassessing the SSG/R Landscape in Yemen: Post-Hybridity and Non-Western Players", in A. Cellino and E. Ardemagni (Eds.), *Institutionalised (In)security: Exploring the MENA Region's Governance Crises*, ISPI-DCAF Report, 2021, pp. 23-40.

Conclusions: How Militias Became Proto-Governments

Federica Saini Fasanotti

In their chapter on elites and military groups in Yemen, Mareike Transfeld and Ahmed al-Shargabi argue that “the concept of the state, which is conventionally understood as a sovereign territory, governed by an authority holding the monopoly over the legitimate use of force and the allocation of revenues, is not useful as a lens to understand actors and structures, as well as the distribution of power in Yemen”. This sentence could equally be applied to the Libyan reality.

Indeed, this Report reveals many commonalities between these two states, which have been victims of decades-long conflicts. Both possess state institutions that are practically non-existent and internally divided, with no real capacity for governing a profoundly tribal and clan-based reality, where unaccountable self-governance is the tradition and well-armed militias create political realities on the ground. These conditions are especially true for Libya, where the contours, features and power of the militias have increasingly been relied upon since the fall of Muammar Gaddafi in 2011. The militias, unchecked, have not only kept the armaments collected during the revolution in their own hands but, in defiance of any embargo, have increased the number of light and heavy weapons.

In countries where the central government counts for very little, the militias have found fertile ground and become more and more entrenched, permeating the fabric of civil society and

controlling it. These groups function in precisely the same way as those politicians who over the years have shown themselves utterly incapable of governing for the good of the country and instead have governed solely for their own benefit. This kind of attitude has led to a *mafiaisation* of the state – as Tarek Megerisi writes – which is now a hollowed-out shell, totally devoid of any managerial capacity. The fact, then, that both Libya and Yemen are oil producers, albeit on different scales, has only exacerbated another evil that is endemic to these places: corruption. The extent and pervasiveness of bribery has captured the few existing organised state institutions, and their officials openly and brazenly display their corruption for all to see, as observed by Eleonora Ardemagni, on the subject of Yemeni coastal lords. A *modus operandi* now made official in a society that is still unable to produce viable alternatives to ruling classes totally incapable of managing, or unwilling to manage, what the Latins called the *res publica*, the common good, meaning the State – a State now considered in Libya and Yemen as an institution to be parcelled out, multi-governed, and nearly feudal in some respects.

But How Was This Possible?

The reasons are obviously many and with different nuances depending on the country to which we refer. Yet it is possible to identify an initial wound from which the disease developed, without the international community being able to stem it but becoming, rather, not just the cause but also the exacerbating factor of its deterioration.

Yemen and Libya are two countries that first and foremost suffered from European colonisation. A colonisation that certainly did not result in the creation of strong, sustainable post-colonial institutions. On the contrary, they have proved to be extremely fragile and at the mercy of the currents of a sea of political instability that, especially in recent years, has often been very difficult to navigate for recently independent countries. In

short, they have been unable to respond to the violence that has formed from below – after the Arab Spring and its subsequent developments – at first spontaneously, and over time in an increasingly structured manner, to the point of taking the place of the state itself at many junctures in the affairs of state and the life of civil society. This can be seen very clearly in Yemen, where militias manage the oil business and directly cash in its proceeds, enriching themselves disproportionately at the expense of their honest countrymen. A similar situation has developed in Libya, where militias function in many respects, if not completely, in the manner of a criminal cartel that has captured the country's state institutions, becoming for all intents and purposes a fundamental lifeline for the survival of the various governments that have succeeded one another in Tripoli.

Militiamen have blended in among state-run security forces, and have often cannibalised them, leaving only an ephemeral shell that, in reality, only serves as a façade behind which to act. These groups then proceed to plunder as much of what remains of the nation as possible. This is a process that unfortunately has too often been underestimated by the international community, perhaps because it is not fully understood.

When Can a Democracy Be Called a Democracy?

There has often been talk, especially regarding Libya, of elections as a panacea for all ills. The United Nations, through the United Nations Support Mission in Libya (UNSMIL), has fought hard to get Libya to have transparent elections after the last ones held in 2014 which led to the *de facto* division of the country into two areas of influence connected to the governments in Tripoli and Benghazi respectively. In a state where the last three governments were extraordinarily fragile, artificial products and not at all representative of the will of the people, elections were assumed by international actors to provide the only chance for the country to achieve the longed-for “democracy.” This was a major miscalculation, because it is actually the institutions that

are the principal reflections of a healthy democracy, not the democratic process of voting. And as we have just said, in Yemen and Libya these very institutions are suspect, an empty house of cards, riddled with corruption and without the substantive capacity to serve anyone but their militia masters. “Sometimes, they lack motivation to actually *defeat* the insurgents”, as Vanda Felbab-Brown correctly points out. Moreover, they are unable to gain and sustain a monopoly of force, the traditional writ of a functioning government, and thus to guarantee the basis on which a democracy can grow: stability. In an unstable environment in which they are free to proliferate, militias are even in competition with local governments, which eventually – being unable (or unwilling, as we said) to keep them in check – end up incorporating the militia in a sort of criminal capture of the state. In substance, whether we are referring to Libya or Yemen, the majority of the armed groups’ leaders are able to control key or critical infrastructures, exploit energy resources and its revenues, as well as control the smuggling routes used to transport weapons, drugs and migrants not only on land but also in the waters of the Mediterranean. For all intents and purposes, some of these militia groups have taken on the trappings of transnational criminal networks.

Because of their constant expansion within the social fabric, these “parastatal” armed groups have also begun to take on an increasingly prominent political role in recent years, almost turning themselves into classic “political actors”. In a nutshell, warlords, unchecked and left free to operate across society, underwent an important metamorphosis by becoming lords of the state, increasingly gaining a degree of political significance comparable to that of medieval warlords who held economic, social, military and thus also political control of their territories.

Faced with this “oligopoly of force”, it is extremely easy for external actors to intervene, as happened for example in Italy between the 15th and 19th centuries, spoiling even more the prospects for what should have been the country’s nationalisation process. Warlords sign agreements with Saudi

Arabia and the United Arab Emirates if we are in Yemen, or with Russia, Qatar, Turkey and even the UAE or Egypt if we are in Libya, while their respective local governments observe in silence.

How Then To Stop This Evil Trend?

The solution for the creation of a democratic and functioning governance is not simple and especially not just one, and has to do with the geographical as well as the social, economic and political dimension. Therefore, the answer is complex, and utterly defies any simple solutions targeted at containing and weakening militias, regardless of the chessboard they are on. Socioeconomic reforms are also needed at the same time to address the social issues that have led to the proliferation of armed groups. But these solutions, unlike what has been done so far, for example in Libya, cannot begin the process of democratisation of these states with general elections. The stability needed for any electoral processes can only be achieved through territorial control, usually exercised by the state through a credible and legitimate monopoly of force. But since the state is latent, it is crucial to exercise such control in some other way, including, if necessary, with a foreign contingent for a limited period of time. The militia phenomenon is first and foremost socioeconomic, and it is with social and economic instruments that it must be remedied, but it is also military and it cannot be solved without the use of force. A final point worth considering is the increasing potential for militia groups – acting, as we’ve said, as both proto-governments and transnational criminal networks – to exploit and capitalise on the human misery emerging to such a large extent from the effects of climate change. As the numbers of climate migrants explodes across the African continent, these groups will become even more involved in the business of human trafficking within Africa, and into the Middle East and Europe, increasing the tragedy of migrants and destabilising migrant destinations in the Middle East and Europe.

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