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# Yemeni Border Markets: From Economic Incubator to Military Frontline

Ahmed Nagi

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Carnegie Endowment for International Peace  
Publications Department  
1779 Massachusetts Avenue NW  
Washington, DC 20036  
P: + 1 202 483 7600  
F: + 1 202 483 1840  
CarnegieEndowment.org

Carnegie Middle East Center  
Emir Bechir Street, Lazarieh Tower  
Bldg. No. 2026 1210, 5th flr.  
Downtown Beirut, P.O.Box 11-1061  
Riad El Solh, Lebanon  
P: + 961 1 99 15 91  
F: + 961 1 99 15 91  
Carnegie-MEC.org

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## Summary

A string of border markets on Yemen's northwestern border with Saudi Arabia turned the confluence of two countries' peripheries into a center, gave rise to a distinct economic system, and bridged cross-border communities. The ongoing war in Yemen has either destroyed these markets or forced their closure. An end to the hostilities is unlikely to restore the status quo ante, owing to Saudi Arabia's desire to establish a buffer zone. This would militarize the borderlands in perpetuity.

## Key Themes

- The border markets turned adjoining Yemeni-Saudi peripheral regions into an economic hub and cemented cross-border ties between communities.
- At the markets, most of the products were from Saudi Arabia and most of the customers from Yemen.
- A key reason for the markets' collective transformation into an economic hub was that merchants from Yemen's interior who wished to buy products from Saudi Arabia could not bypass Yemeni borderland traders who served as middlemen.
- The war-engendered demise of the border markets did not just cripple a distinct economic system that tied together the Yemeni interior and the Yemeni-Saudi borderlands. It complicated and in some cases cut off social links between people on either side of the border.

## Findings

- The ongoing war in Yemen, which assumed a regional dimension in 2015 and pits the Houthis against a Saudi-led Arab military coalition, has turned the borderlands into battlefields. The Saudi authorities' closure of all crossings on Yemen's northwestern border has added to the borderlands' woes.
- Many border markets have scaled back their operations drastically, others have moved elsewhere, and yet others have closed down permanently. Smuggling, which always existed, has surged and now includes African migrants who wish to make their way to Saudi Arabia.
- The collapse and closure of the border markets led to the Saudi military and the Houthis swooping in and competing with each other for control over the former economic hubs. Saudi officials have turned several former markets into military bases.

- If a Saudi-Houthi peace deal allows Riyadh to achieve its aim of establishing a buffer zone in the borderlands, the era of bustling markets on Yemen's northwestern border with Saudi Arabia will have come to a definitive end.

## Introduction

During the first decade and a half of this century, a string of open-air markets located on Yemen's northwestern border with Saudi Arabia came to serve collectively as an economic hub that benefited both the Yemeni borderlands and the Yemeni interior, in addition to cementing social ties between Yemeni and Saudi border communities. Crucially, despite recurring conflict within Yemen, the warring domestic parties by and large took care to avoid clashing in the vicinity of these markets, given their value to the economy. This changed in 2015, when Yemen's most recent conflict, which had erupted the previous year, began to witness the direct involvement of outside actors. The principal confrontation pitted the Iran-backed Ansar Allah rebel group, commonly known as the Houthis, against a Saudi-led Arab military coalition.

Both sides quickly came to view the borderlands as a strategic asset and took to building up their military presence there. In and of itself, this development had negative repercussions on trade. Yet worse was to come. Saudi Arabia's closure of the northwestern border crossings for stretches at a time prevented Saudi citizens—upon whose purchases the markets relied quite heavily—from entering Yemen. The economic downturn accelerated. Finally, outright clashes transformed the borderlands into battle zones. This led to the shuttering of the border markets and sundered long-standing cross-border economic and social links.

Prospects for a significant amelioration of the current dismal state of affairs are bleak. Saudi Arabia and its allies have proven unable to dislodge the Houthis from most borderlands. As a result, even if the warring parties reach a peace deal, it is likely that they will divide the borderlands between them. Traders and stall owners seem to have realized as much. Some have gravitated toward smuggling, others have reconstituted smaller versions of the markets in inland Yemen, and yet others have set up shop along the more remote northeastern parts of the border. If a Saudi-Houthi peace deal allows the Saudi government to achieve its aim of establishing a buffer zone in the borderlands, the era of bustling markets on Yemen's northwestern border with Saudi Arabia will have come to a definitive end.

MAP 1

### Yemeni-Saudi Border Crossings





## The Heyday of the Borderland Economy

Given the widespread, local, yet haphazard trade across Yemen's northwestern border with Saudi Arabia, it was virtually inevitable that border markets, where such trade could be concentrated, should spring up. Though the markets, which took shape in Yemen over the second half of the twentieth century, catered mostly to Yemeni consumers, they suited Saudi interests in several ways: visas were not required of visitors who restricted themselves to the border areas, sundry items were brought together in a single location, and rates were tax-free. Significantly, the markets helped to sustain remote and somewhat marginalized Yemeni communities and enhanced relations between tribes on either side of the border.

The markets began as small-scale affairs that operated only on certain days of the week. Nonspecialized stalls were the norm, but products and services were geared toward the needs of border communities. For example, many stalls sold foodstuffs, building materials, and agricultural products. Some also provided financial services, including money transfers via the *hawala* system (a monetary transaction structure based on the honor system). Owing to the high cost of transporting goods from Yemen's interior to the borderlands and the lower prices on the Saudi Arabian side, products trucked in from Saudi Arabia outnumbered those from Yemen itself.<sup>1</sup>

For the most part, the markets emerged near border crossings. Even those located farther inland arose along highways or roads that led to a border crossing. Residential settlements, initially quite small, arrayed themselves around the markets. This phenomenon was apparent across all four border governorates, whose combined length is 1,800 kilometers (about 1,100 miles). However, the northwestern governorates of Saada and Hajjah played host to larger markets than northcentral al-Jawf and northeastern Hadramout, owing to more cross-border traffic and a larger local population on both the Yemeni and Saudi Arabian sides of the border. In Saada, the markets sprang up around the Aleb crossing. In Hajjah, they were clustered around the Harad crossing. And in al-Jawf, it was in the vicinity of the Khadra crossing that the markets took shape. In the borderlands of Hadramout, where the most widespread economic activity was the raising of livestock, the markets were few and far between despite the presence of the Wadiyah crossing.

Many of the areas where the markets took root are named for the tribes that predominate there, a convention that has some precedence in the original demarcation of the border between Yemen and Saudi Arabia. In the Taif Agreement signed between Imam Yahia Hameed al-Din of Yemen's Mutawakkilite Kingdom and Abdulaziz Al Saud of Saudi Arabia in 1934, the markers defining the boundaries between the two states were the names of the tribes and their areas.<sup>2</sup> The most prominent tribes of Yemen's northwestern borderlands are the Bani Marwan, Qays, Hamdan, Waela, Yam, Mashreq, Abydah, Manhahel, Nahd, Balabid, and al-Saar. Most of these tribes are further subdivided

**Yemeni-Saudi Border Markets**



into branches. For example, the border districts of Saada are home to the Suidan, Qurei, and Salah branches of the Waela tribe, with the Jabara and Husainia branches straddling the border itself. Because of geographic and demographic connections with the Saudi border communities, many members of Yemeni tribes near the border have both Saudi and Yemeni nationalities.<sup>3</sup>

For decades, several of these tribes had taken pride in the fact that they tilled agricultural land and did not have to resort to doing business at the border, an activity they associated with the marginalized and the poor, particularly those who had failed to make a living among their native inland communities and had come to the borderlands out of desperation. The success of the border markets counteracted this long-held stigma. The tribes began to involve themselves in the markets and benefited accordingly. This was especially true of the farmers among them, who would now sell their crops and buy their necessities at the same location.<sup>4</sup>

An additional factor that contributed to the growth of the markets was the improved security situation on the border in the first decade of this century. Throughout the 1990s, skirmishes had occasionally broken out between Saudi and Yemeni military forces over contested border areas. In 2000, however, a new demarcation of the border, one considerably more precise than its predecessor in 1934, came to pass. The resulting stability and the ease with which the border was traversed by locals on either side enabled the border markets to become supply-and-distribution points for goods that were brought to Yemen from Saudi Arabia or vice versa, thereby boosting both their revenue and their economic significance. The markets began to transform Yemen's previously peripheral north-western borderlands into an economic hub.

At the markets, many commercial transactions, especially bulk purchases, were made using Saudi rather than Yemeni currency, in part because the trade balance favored state-subsidized, and therefore cheaper, products from Saudi Arabia. Yemen's exports to its larger neighbor were limited to fruits, cereals, fish, and certain handcrafted items.<sup>5</sup> A brisk business in the sale of used cars from Saudi Arabia developed at several markets, so much so that car fairs began to take place. And when Yemen was hit by an oil shortage in 2011, border merchants imported fuel from the Saudi Arabian border markets and sold it to fellow Yemenis.

In the context of the Yemeni borderlands emerging as an economic hub, it is important to note that merchants from Yemen's interior who wished to buy products from Saudi Arabia could not bypass Yemeni borderland traders who served as middlemen. When it came to the entry of Yemeni nationals into its territory, Saudi Arabia had long pursued a dual policy. Yemeni border inhabitants were allowed to enter and exit Saudi Arabia with few restrictions, even if all they possessed was Yemeni nationality. However, Yemenis from the country's interior enjoyed no such privilege. As such, merchants from the interior found it very difficult to conduct border transactions, let alone cross into

Saudi Arabia, and generally obtained Saudi goods by buying them from Yemeni border residents who sold them at a profit.<sup>6</sup>

Besides the proliferation of Saudi goods, Saudi Arabia's economic influence was apparent in other ways. For example, unlike during Yemen's oil shortage of 2011, Saudi Aramco's decision to raise the price of oil in December 2015 led Yemeni border markets to suffer a drop in business, as it was no longer profitable to sell Saudi-produced fuel in Yemen.<sup>7</sup> Another indicator of Saudi economic influence was that, in the aggregate, individual Saudi consumers became major contributors to the markets' success. One product sold at all the markets that proved especially popular with Saudi buyers was qat, a plant whose leaves function as a mild stimulant when chewed. Since qat is prohibited in Saudi Arabia, where it is classified as a drug, most Saudis who made their way to markets across the border to buy it would end up spending several hours or even a couple of days on the Yemeni side in order to consume their supply before heading home. The plant was sold to Saudi consumers at a higher price, which increased profit. Qat tourism led to the construction of *locandat*, which are a sort of combination of rest stop, restaurant, and hotel. At a *locanda*, visitors could chew qat and dine at their leisure and even had the option of spending the night. This suited Saudi traders as well as Yemeni expatriates who lived in Saudi Arabia. Qat thus became an economic asset for the people of the border areas and benefited the plant's cultivators in the Yemeni interior.<sup>8</sup>

All this activity generated popular confidence in the notion of working in border areas that until then had a reputation among inland Yemenis as far-flung and periodically unstable. Indeed, the transformation of the borderlands from a remote region, parts of which were contested, to one that was both peaceful and economically dynamic spurred migration from inland areas of border governorates and even from inland governorates.<sup>9</sup> Many merchants and craftsmen in the interior realized that offering their goods or services at border markets could net them a handsome profit. And with the business conducted at such markets increasing not only in volume but in variety, laborers began flocking to the area in search of menial work. Given the then-thriving economy, wages there were higher.<sup>10</sup> Instead of earning the equivalent of \$10–12 U.S. dollars per day, which was the average in inland areas, a laborer could make double that amount or even more at a border market. As a result, the markets of Harad, for example, a district located in Hajjah Governorate, came to include stall owners, operators, and laborers from the southwestern cities of Taiz, Hudaydah, and Amran, many of whom took up residence in the area and sent for their families. Whereas in 1994, the population of Hajjah Governorate stood at 1,091,000, by 2004 it had jumped to around 1,480,000.<sup>11</sup>

In the first decade of this century, many markets that had previously operated only on specific days of the week took to opening every day. For example, both the Souq al-Thalouth of Harad and the Souq al-Khamis of Munbeh were initially open for business on one day of the week, the former on Tuesdays and the latter on Thursdays. Bit by bit, however, they began to open on additional days,

until they turned into daily markets that operated around the clock. Moreover, their stalls, previously flimsy shanties, were now fashioned out of clay bricks. Both transformations—operating more frequently and making use of sturdier construction material—occurred in other markets as well.

Yet the border markets' heyday would not last long. In fact, by the beginning of the second decade of this century, it had become apparent that the latest iteration of a periodic conflict between the Yemeni state and the Houthis, a political and military movement rooted in Yemen's Zaydi Shia community, posed a grave threat to the borderlands.

## **Demise Wrought by Conflict**

In 2014, an on-again, off-again conflict between the Houthis and the Yemeni state morphed into a full-blown and continuous civil war, one that drew in regional powers. The consequences for the borderland economy were catastrophic. The war dealt the border markets a fatal blow, destroying several and forcing others to close permanently, and tore apart the cross-border social fabric of the borderlands.

With the war grinding on, there is little to chance to halt, let alone reverse, such developments. Yet even an end to the hostilities is unlikely to restore the status quo ante. In all probability, a peace agreement will include a provision that allows Saudi Arabia to fulfill its wish to create a buffer zone in Yemen's northwest. This would serve to militarize the borderlands in perpetuity and prevent the resumption of both cross-border trade and social relations.

## **War Engulfs the Borderlands**

In 2010, a sixth round of fighting in as many years between the Yemeni military and the Houthis ended with the latter taking control of large parts of Saada Governorate, including areas along the border.<sup>12</sup> The next year, the Houthis exploited the state's preoccupation with nationwide protests against its authoritarianism and corruption to advance even further in the borderlands.<sup>13</sup> This move was met with opposition from local tribes, which fought the Houthis for months. Yet by the end of 2013, the Houthis were in control of all border areas in Saada as well as most of those in Hajjah and al-Jawf.

The Houthis' encroachment on border areas through military operations, and their harsh manner of rule, alienated inhabitants and had a negative impact on the border markets. Thousands of people

were displaced, and many markets—especially the remaining weekly ones, which saw less traffic than their daily counterparts—suffered as a result of people avoiding travel to border areas.<sup>14</sup> Moreover, the Houthis attempted to control much economic activity. For example, the group imposed on merchants the *khums*, a religious tithe, in line with their theological beliefs.<sup>15</sup> As a result, trade in agricultural produce experienced a precipitous decline. According to Saudi foreign trade statistics, imports from Yemen dropped by around 50 percent between 2015 and 2019. In 2016 alone, imports decreased by 75 percent compared to 2014.<sup>16</sup>

Throughout all these developments, Saudi Arabia maintained a flexible policy toward Yemen, one that saw it strike deals with both the Yemeni state and the Houthis. Saudi officials provided the Yemeni army with air support in 2009, but also reached understandings with the Houthis, particularly as the latter cemented their control over border areas. Saudi-Houthi deals tended to take the form of an informally concluded *quid pro quo*: in return for the Houthis helping the Saudi state maintain security along the border, Saudi Arabia would allow much-needed fuel to enter Houthi-controlled border areas.<sup>17</sup>

In 2014, however, the Houthis launched yet another rebellion against the weakened Yemeni state. Along with their seizure of the nation's capital, Sanaa, in September of that year, the Houthis managed to take over most border districts in Hajjah Governorate, adding them to their control of much of Saada Governorate. Saudi Arabia viewed this development as a threat, with the Iran-backed Houthis increasingly assuming the role of a state within a state. More worrisome for the kingdom was that some Saudi citizens from Asir and Najran, areas respectively home to two marginalized Shia groups, the Zaydis and the Ismailis, joined the Houthis' ranks. This set the stage for the Saudi-led military intervention in March 2015.

In early 2015, on the eve of the Saudi-led coalition's intervention, there were more than fifty border markets on the Yemeni side and about two dozen on the Saudi side.<sup>18</sup> Most of the coalition's military operations took place in Yemen's northwest, in line with Saudi Arabia's desire to dislodge the Houthis from the region. This made life unbearable for many inhabitants and led to a mass exodus. Coupled with the Saudi authorities' closure of all border crossings on Yemen's northwestern border, the war also made it impossible for the border markets to continue as before. Many scaled back their operations drastically, others moved elsewhere, and yet others closed down permanently.

In the districts of Harad, al-Dhahir, and Midi, the war obliterated the border markets, causing people to flee. Significantly, the majority of Harad's inhabitants lived in the area of the Thalouth market, which was destroyed in mid-2015. Escaping the raging war, most of them fled to various areas of the Yemeni interior. Today, all that remains in the border area is a shell of the long-abandoned original Thalouth, as well as ruined residential dwellings.<sup>19</sup> In al-Dhahir, the Malahidh market

was closed due to heavy confrontations that peaked in August 2018, when it turned into a battlefield between the warring parties. Midi fared even worse. In 2015, the area became an epicenter of military confrontation, and when the Houthis withdrew later that same year, they left behind thousands of land mines.<sup>20</sup> Since the beginning of 2019, the Yemeni army, in cooperation with the Saudi-led coalition forces, has cleared 32,000 land mines in the districts of Abs, Hairan, and Midi.<sup>21</sup>

Even markets on the Saudi side of the border suffered. In large part, this was due to the Saudi authorities forcibly evacuating people from the borderlands of Asir and Jizan, where several markets were located, and resettling them in the two governorates' interior. The authorities undertook this measure ostensibly to protect the people of the borderlands from the Houthis, who were firing missiles into Saudi territory. However, the more strategic goal was to distance the largely Shia inhabitants of these areas from the Houthis, who now controlled the Yemeni side of the border, and thereby prevent any possible collusion. Following the evacuation and resettlement, many markets in these Saudi border areas closed.

If nature abhors a vacuum, the warring parties were only too happy to fill it. The collapse and closure of the border markets on the Yemeni side prompted the Saudi military and the Houthis to swoop in and compete for control over the former economic hubs. However, it is notable that neither side seems keen on resuscitating them. The Saudi military has seized control of several former markets and converted them into military camps or bases for Yemeni proxy militias, so that these camps now serve a dual role of providing a regular salary to newly destitute Yemenis and enhancing Riyadh's war effort. The Houthis have captured fewer former border markets, but have nonetheless managed to recruit disaffected or unemployed non-Zaydis from these areas into their ranks and train them elsewhere.

The Saudi military generally assigns the task of recruitment to its Yemeni allies. As for the recruits themselves, almost all are drawn from Yemen's majority Sunni community—especially residents of Taiz Governorate, where tribal ties that encourage insularity and that might act as a restraint on joining a foreign force are weak. The recruits earn a small monthly salary, but are provided with little to no military training before finding themselves thrust into battle.<sup>22</sup> Many of the families of those who have died in military encounters with the Houthis have reported that they were denied access to their loved ones' remains. There are no official statistics on the numbers of recruits, but a source at Yemen's embassy in Saudi Arabia estimates as many as 60,000 people.<sup>23</sup>

The Houthis have had less success in taking over former markets and using them to their advantage. However, they have managed to recruit people to fight alongside them, often in or near markets that the Saudi government has since turned into military camps. This is particularly true of Yemenis deported from Saudi Arabia because of their illegal status. Upon their return to Yemen, the Houthis

offer them the chance to exact revenge by taking up arms against Saudi Arabia—and to do so while earning a much-needed salary.<sup>24</sup>

### Lasting Impact: Economic and Social Dislocation

The demise of the border markets did not just cripple a distinct economic system that tied together the Yemeni interior and the Yemeni-Saudi borderlands. It complicated and in some cases cut off social links between people on either side of the border. The markets, after all, had cemented familial and social relations between borderland inhabitants from the two countries. Many stalls and shops in the Yemeni markets were jointly owned by Yemenis and Saudis of the same extended family, thereby allowing them to maintain and even strengthen a bond that an international border might have otherwise weakened or severed.

Additionally, it was common for members of such extended families, as well as for Yemenis who lived and worked in Saudi Arabia, to undertake cross-border visits. Owing to the Saudis' closure of all border crossings with northwestern Yemen, this is now exceedingly difficult. The most affected are Yemenis from the northwestern parts of the country who live and work in southeastern Saudi Arabia, which is adjacent to their areas of origin. In order to visit their families just across the border, they must travel hundreds of kilometers to the north and cross into Yemen via Hadramout Governorate's Wadiyah crossing, which remains open, and then risk life and limb making their way through areas controlled by warring factions.

As for the markets themselves, following their shuttering, some resurfaced elsewhere. A smaller version of Harad's Thalouth market reemerged as part of the Baddah Beni Hassan market in Hairan, a border district in Hajjah Governorate that seemed relatively safe, and to which several merchants relocated.<sup>25</sup> But the war followed it even there. In 2020, as Saudi-backed government forces closed in on Hairan, battles with the Houthis took place near Baddah Beni Hassan and brought economic activity to a standstill. Other merchants moved even farther afield. For example, individual traders from various border markets set up shop at the Khadesh and Saqf markets in Hajjah's inland Abs district, which benefited both from its location well away from the front lines and the arrival of internally displaced people.

Some traders made their way to northeastern regions of the Yemeni-Saudi border. Slowly, they began to change the economic landscape there. Before the war, there were no large markets in the vicinity of the Wadiyah border crossing in Hadramout Governorate. A handful of restaurants and shops providing basic services to motorists were all one could find in the area.<sup>26</sup> As the Wadiyah crossing has remained open throughout the conflict—albeit with tighter regulations governing the entry of Yemeni nationals into Saudi Arabia—such restaurants and shops have since proliferated, and the



nearby preexisting Al-Abr Market has expanded and taken on added significance. Indeed, fruit and vegetables previously exported overseas via the Harad port are now routed through Wadiah. All this economic activity has contributed to the emergence of residential settlements close to the border crossing.<sup>27</sup>

Merchants who have chosen to remain in northwestern border areas have precious few means of making a living. With legal economic activity providing scant profit, many have resorted to smuggling. Indeed, locals in Saadah and Hajjah, for example, which early on witnessed heavy fighting, have proven adept at capitalizing on the Saudi authorities' inability to monitor stretches of the border, given the distances involved and the often rugged terrain. Within a week of the Saudis' closure of popular smuggling routes near Najran's Al-Khawbah in 2015, for example, Yemeni smugglers had charted dozens of new routes between their country and Saudi Arabia, including one through the Makhbal mountains. Some of the villagers-turned-smugglers have demonstrated resourcefulness in other ways. For example, several have gone so far as to train donkeys to do the smuggling for them. Laden with wares, these donkeys make their way unaccompanied to points within Saudi Arabia, where they are corralled by Saudi smugglers and relieved of their burden.

Smuggling is not a new development. Traditionally, two types of items were smuggled across the Yemeni-Saudi border. The first was goods that were legal in Saudi Arabia and Yemen but subject to relatively high customs duties. This included foodstuffs, construction materials, and home appliances. The second was made up of products prohibited on either side of the border, such as drugs, or only on the Saudi side, such as qat and weapons. The demise of the border markets has translated into even more such activity. As ever, the most widely smuggled products are hard drugs such as cocaine and heroin, as well as cannabis and qat. Drugs and cannabis, which originate in Afghanistan, Pakistan, or Iran, are shipped by sea to Yemen, where they are offloaded at secret points and then smuggled into Saudi Arabia, where demand is high.<sup>28</sup> Demand for qat, which is cultivated in Yemen, is also high, as Saudis can no longer make use of border crossings. Before the conflict, many Saudis in the district of Jizan would enter Yemen through the Harad crossing in order to purchase qat. Today, those who still wish to obtain the stimulant must buy it from smugglers. Qat smugglers now reap a significant profit by catering to Saudi customers.<sup>29</sup>

The smuggling of arms has also flourished. The Yemeni borderlands' descent into conflict created a feeling of insecurity among Saudi borderland communities. Many Saudis began to worry about militants or even criminal gangs infiltrating their country. Because strict gun laws apply in Saudi Arabia, they had to turn to smugglers from Yemen, where possession of arms is an integral part of the culture, especially in border areas. Smugglers in Saadah, whether veterans or novices, had only to turn to the Raqu market, located in an inland area of the governorate, to purchase arms that they could then sell for a higher price across the border.<sup>30</sup>

Yet it is not just drugs or weapons that are smuggled from Yemen into Saudi Arabia. People smuggling has surged. With the onset of the conflict, many Yemenis who had had steady work at the border markets suddenly found themselves without jobs. Following the Saudi authorities' closure of the border crossings, some chose to pay smugglers to help them cross into Saudi Arabia, where they had business contacts and expected to find work. Moreover, massive unemployment in war-torn Yemen as a whole has impelled Yemenis from inland governorates, many of whom previously had no ties to Saudi Arabia, to cross the border with the aid of hired smugglers.

Yemen's descent into near-anarchy and the surge in smuggling has also encouraged African migrants to come to Yemen with the aim of making their way into Saudi Arabia. Most are Ethiopians who reach Yemen by sea, having set off from Somalia. Upon landing somewhere on the country's southwestern coast, many head toward Yemen's inner cities, where they might earn enough money through menial jobs to pay smugglers to take them to Saudi Arabia. They then head for cities or towns that are known as transit points. Until the Houthis-Saudi battle over Ma'rib that erupted in February 2021, the city was at any given time host to thousands of migrants, who would sometimes stay there for days before coming to an agreement with smugglers who would take them across the border. According to estimates by the International Organization for Migration, the number of African migrants entering Yemen in 2018 was 50,000.<sup>31</sup> From January to October 2020, despite restrictions imposed by the Yemeni and Saudi authorities, the number of migrants was estimated at 34,160.<sup>32</sup>

Smuggling, whether of goods or people, seems likely to continue for the time being. A cessation of hostilities in Yemen will not in and of itself reverse the drastic changes the conflict has brought about, including the demise of the country's northwestern border markets and the depopulation of the areas where they were located. Even in the best-case scenario, one in which it becomes possible to resume economic activity in these borderlands, it is hardly certain that a sizable number of people would do so. Once bitten, twice shy, the Yemeni merchants and residents who made the border markets such a successful enterprise may well decide against returning and beginning anew.

While continued conflict hardly augurs well for the border markets, ironically a peace agreement between the warring parties may serve as the nail in their coffin. The Saudi government seems to have given up on its initial goal of enabling the pro-Saudi Yemeni government to retake all of Yemen and has become resigned to the Houthis retaining control over northern parts of the country. All the more reason, from Riyadh's perspective, to protect its territory, reduce cross-border interaction between Saudis and Yemenis, and ensure that Saudi Arabia is well-positioned for any future confrontation. One way to do this is to reactivate a dormant plan to build a border wall. Originally, the plan was for the construction of a wall along the entirety of Saudi Arabia's 1,800-kilometer border with Yemen. Saudi Arabia began construction of that wall in 2004, only to suspend the project at the request of the Yemeni government, which still controlled much of the country. In 2013, Riyadh

briefly considered resuming construction, but decided against such a move given continued opposition on the part of the Yemeni government.

More significant than a border wall is Saudi Arabia's attempt to reach an understanding with the Houthis concerning the joint creation of a buffer zone in Yemen's northwest.<sup>33</sup> For Riyadh, a buffer zone—with or without a wall along the border—would push potentially hostile Yemeni elements even farther back. This would lessen the likelihood, for example, of Houthi-fired missiles striking populated areas in Saudi Arabia. Additionally, it would give Saudi border security forces the chance to neutralize would-be infiltrators, smugglers, and migrants well before they breach the border. The Houthis seem willing to accept the idea of a buffer zone on condition that Saudi Arabia recognize their de facto Sanaa-based government and end military support of the internationally recognized and pro-Saudi Yemeni government. This was made clear by the Houthis during their negotiations with the Saudis—which began in mid-2019 and remain ongoing—in Muscat, Oman.<sup>34</sup> The Houthis' recent and ongoing offensive to take Ma'rib is an attempt to force the Saudi government to accept Houthi terms. Ma'rib is the last northern stronghold of the Yemeni government, meaning that its capture by the Houthis would cement their control over Yemen's north.

The establishment of a buffer zone may suit Saudi Arabia and—under certain conditions—the Houthis, but it would add to the woes of an already battered population in Yemen's borderlands. For one thing, Saudi military forces would almost certainly prevent the border markets from reestablishing themselves. In all probability, they would also clear out remaining communities around the buffer zone.<sup>35</sup> This would violate those provisions of previous agreements between Saudi Arabia and Yemen that pertain to the rights of ordinary Saudis and Yemenis who live and work in the vicinity of the border, but that is unlikely to make a difference.

Inhabitants of Yemeni borderland areas that fall outside the zone would fare little better, as the permanent closure of border crossings would take its toll on them. Although the borderlands have long since ceased to attract internal migration and are now hemorrhaging that portion of their population which moved to the region in recent years, many original inhabitants, such as farmers and livestock herders, have thus far remained despite all the hardships. With no prospect of cross-border trade and progressively fewer local buyers of their products, however, they may well move to other parts of Yemen. Even smugglers would find it difficult to continue and are likely to make greater use of Yemen's northeastern borderlands, which have a better chance of remaining outside the projected buffer zone, and where the Saudi military's presence is lighter.

## Conclusion

Peace through the establishment of a buffer zone would have consequences both far-reaching and long-lasting. Border markets proved successful because they turned the confluence of two countries' peripheries into a center, gave rise to a distinct economic system, and came to constitute a bridge between cross-border communities. All that is gone now. Yet it appears that a worse development is on the horizon: a permanent disfigurement of the landscape along with forced demographic change through a Saudi-Houthi joint project for a buffer zone. To the ordinary Yemeni borderland resident, this would be a no man's land. Indeed, it is not an exaggeration to say that the buffer zone would mark the definitive end of the border market era.

In a sense, the subordination of the northwestern borderlands' needs to those of external powers is of a piece with what is happening across Yemen. The country is undergoing a process of cantonization, one driven by the political and military imperatives of Iran, the United Arab Emirates, and Saudi Arabia. Iran has encouraged the Houthis to try to wrest control of Ma'rib and offered them various forms of support. The capture of Ma'rib would enable Houthi-ruled northern Yemen to stand on its own as an economically viable and politically pro-Iranian statelet, and possibly facilitate further territorial gains. Meanwhile, the UAE is backing southern Yemeni separatists in their efforts to detach much of southern Yemen from the region controlled by the internationally recognized and pro-Saudi government. The Emiratis are also facilitating the settlement along Yemen's western coast of yet another military faction that they back, the Guardians of the Republic. In light of all this, Riyadh's buffer zone project, which the Houthis may well endorse in the event of an agreement with Saudi Arabia, deepens the ongoing and possibly permanent division of Yemen into foreign-backed cantons.

## About the Author

**Ahmed Nagi** is a nonresident scholar at the Malcolm H. Kerr Carnegie Middle East Center in Beirut, where his research focuses on Yemen.

## Methodology

This paper draws on a mix of sources and methods. The primary sources include interviews with dozens of locals residing by Yemen-Saudi borders and local researchers. Due to coronavirus restrictions and security circumstances near the areas under study, most of the interviews were conducted via phone. The paper also utilizes secondary sources tackling Yemen-Saudi border issues. Methods include the author's first-hand observations and field visits during 2019.

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## Notes

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Emir Bechir Street, Lazarieh Tower | Bldg. No. 2026 1210, 5th flr.  
Downtown Beirut, P.O.Box 11-1061 | Riad El Solh, Lebanon  
P: + 961 1 99 15 91

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