1988

Autonomy and Secondhand Oil Dependency of the Yemen Arab Republic

Sheila Carapico
University of Richmond, scarapic@richmond.edu

Follow this and additional works at: http://scholarship.richmond.edu/polisci-faculty-publications

Part of the International Relations Commons, and the Near and Middle Eastern Studies Commons

Recommended Citation

This Article is brought to you for free and open access by the Political Science at UR Scholarship Repository. It has been accepted for inclusion in Political Science Faculty Publications by an authorized administrator of UR Scholarship Repository. For more information, please contact scholarshiprepository@richmond.edu.
AUTONOMY AND SECONDHAND OIL DEPENDENCY OF THE YEMEN ARAB REPUBLIC

Sheila Carapico

RECENT SCHOLARSHIP ON STATE AUTONOMY in the Third World has been influenced by the dependency thesis that capital accumulation at the core of the world economy is associated with economic underdevelopment and political dependency at the periphery. Dependency reasoning is rooted in a devastating empirical critique of the once prevalent modernization paradigm, in which national state policy was the central independent variable. According to dependency theory, peripheral nations' subordinate structural positions in the international political economy results in sacrifice of authoritative policy-making to foreign investors, bankers, experts, governments, and institutions or their local counterparts. Typically specializing in primary commodity exports, dependent nations therefore fall into a vicious cycle of deficits, debt, and fiscal crisis that worsens whenever the price of their prime commodity export falls.

During the 1970s the considerable material affluence and political leverage of oil producers and even their neighbors seemed to ensure against this scenario. While dependency theorists wrote about Latin America and Africa, relatively few Arabists turned to world systems theory to explain phenomena, traditionally viewed through a prism of culture and custom. The mid-1980s decline in petroleum prices, however, has revealed the Arabian Peninsula and the Middle Eastern economy as a whole to be as vulnerable to the vicissitudes of global markets as its peasants and herders once were to the weather.

Most nations are tied into a world economy and susceptible to external market forces; but the complex interdependencies among the core North American, European, and the Asian economies differ significantly from the vulnerability of peripheral states, especially oil importers. Whereas the concept of autonomy ("the relative autonomy of the state") is defined for core nations as the state's independence from the overriding influence of one domestic class, faction, or coalition, in the periphery the central question is whether the state is free from overwhelming external influence—whether it can, indeed, make and execute domestic political and economic decisions autonomously from foreign investors, creditors, governments, or markets. In the periphery, both state autonomy (from landowners, exporters, or other internal class interests) and national autonomy

Sheila Carapico is Assistant Professor of Political Science, University of Richmond.

ASQ Volume 10 Number 2 193
(from forces in the external environment) are real issues on the debated agenda. A third, complicating issue concerns the hegemony of the state, the extent of its ruling authority, and its ability authoritatively to allocate values within its territory.

The most serious criticism of dependency theory is that it points to questions of how internal politics and class formation influence national and state autonomy, but fails to seriously engage these questions, apart from noting that even within nations there is a center of power and accumulation and a periphery upon whose resources the core draws, either by exporting its products or by utilizing labor whose subsistence it does not provide. By locating the dynamic of dependency in foreign exchange, the basic paradigm diverts attention from the complex relationship among domestic classes, the state, and foreign powers, thus relegating ordinary politics to the background.

Part of the difficulty and debate stems from the failure to analytically separate and define national autonomy and state autonomy. Each of these two variables is operational only when a prior condition has been met. National autonomy is at issue only for systems integrated into world markets, that is, nations that have gone beyond pre-capitalist autarky. Similarly, the question of state autonomy pertains only where the state possesses a fair degree of hegemony over the society, indicated by its capacity to authoritatively allocate resources for projects. Once this condition has been met, the question of whether the state is setting its own agenda or implementing the interests of a particular class comes into play.

In the Latin American examples on which dependency analysis is based, nations are well integrated into the world economy and states possess a fair degree of internal hegemony. Neither the state nor the nation is autonomous, however; on the contrary, domestic and foreign interests, in coalition, mold the appropriation and allocation of resources on their own, joint, behalf. Even assuming this is a correct analysis of certain cases, other configurations are possible. These include situations in which the nation is but partially integrated into the world system, or the state possesses incomplete hegemony over the hinterland, or the class situation is poorly defined, or any combination thereof. In other cases, integration, hegemony, and class formation are fairly complete but the state manages, in one way or another, to steer a course autonomous from either or both domestic and foreign class interests. Where the state possesses neither hegemony nor national autonomy, it appears "suspended" above society and is not likely to have a firm class basis. Finally, a strong national class, whether feudal or bourgeois, shares the state's interest in hegemony and may in certain instances favor national autonomy.

For the major oil-exporters' poor cousins, the cycle of expansion and contraction in the regional economy furthered capitalist and state penetration into even rural and frontier territory—to the point where both national autonomy from foreign donors, lenders, and trade partners, and state autonomy from indigenous capitalist classes, became issues. At this point, the question is
not simply whether "the state—that is, public officials writ large—[is] acting upon its own policy preferences, translating them into public policy," or "its authoritative actions [are] shaped and constrained by the expectations, demands, and pressures" of domestic classes or foreign actors. Also at issue is whether the state defines its own interests autonomously from dominant internal or external concerns.

The Yemen Arab Republic (YAR), a small, nominally capitalist, Western leaning but nonaligned nation whose fertile soils and temperate climate make it home to half the population of the Arabian Peninsula, is in many ways an exceptional case for dependency theory. Until the 1962 revolution, a reactionary, pre-capitalist form of autonomy served the interests of a dominant tribute-collecting class closely aligned with the imamate. The revolution undermined rent- and tribute-collecting authority, but the rise and fall of oil prices, experienced secondhand, heightened the struggle among the state, domestic forces, and foreign powers for control over the allocation of resources for development projects.

**Precapitalist Autonomy**

The YAR is a young state in an old nation. Often called North Yemen to distinguish it from its sister state, the People's Democratic Republic of South Yemen (the PDRY, a former British Protectorate), the YAR was born of violent revolution in the most isolated and undeveloped social formation in the Arab world. After the decline of the Ottomans, an obscurantist dynasty of imams xenophobically and autocratically avoided external contacts, sealing the kingdom from European penetration at popular expense. Prohibited from engaging in foreign trade, most households were tied to the land as grain and livestock producers, exchanging food, implements, and household goods at weekly suqs or markets.

Standard development indicators in 1962 showed widespread poverty, ignorance, and disease. Per capita annual income was estimated at U.S. $60. About 10 per cent of boys and 1 per cent of girls were in school, and adult literacy was about 3 per cent. Life expectancy at birth was only 36 years, and six out of ten children died before their fifth birthday. Smallpox, leprosy, and tuberculosis were endemic. Even more debilitating were water-borne parasites, dysentery, and complications from pregnancy and childbirth. There were no paved roads or electricity systems, so annual energy consumption per capita was only the equivalent of seven kilograms of oil; very few households had uncontaminated sources of water, and transistor radios were rare indeed. Three secondary schools trained a select cadre of future officials and military officers, the latter often drawn from low-status groups to minimize their potential political following.

Foreign trade was restricted to monopoly concessions granted to members of the ruling family in partnership with a handful of favored merchants. So limited
was trade that there was no need to establish a national currency; what exchanges could not be agreed upon by barter utilized a silver thaler of Austrian origin. There were no banks or public sources of credit save a Saudi branch office. A few Italians and other Europeans traded through the North Yemeni Red Sea port of Hodeidah, but there were no foreign corporations.

In this pre-capitalist enclave, a dominant tribute-collecting mode of production, organized politically in the imamate, coexisted with a communal-subsistence mode, organized politically in the tribes. The major class groups were therefore (1) tribute collectors, especially tax farmers and landlords but also state functionaries, whose control of the use of force enabled them to extract and redistribute among themselves surpluses produced by the farming majority; (2) sharecroppers who, depending on environmental and contract conditions, paid from one- to three-quarters of their produce as rent or taxes; (3) smallholders who raised food crops and livestock for household consumption but were also subject to taxation and quartering of troops; and (4) tradespeople, including artisans and peddlers, who were dependent on the consumption demands of other classes. A miniscule fifth class was made up of merchants, their profits secured through royal favor and monopoly supplies of coffee, cotton, and imports rather than through active trade. Pre-revolution Yemen was not characterized by class mobility, although in the twentieth century young men began to escape to the British port at Aden.

The state transparently served the interests of tribute-collecting classes, and its power was greatest where landowners collected both taxes and rents. Proportions of land under sharecropping reached one hundred per cent in the spate-irrigated, tropical wadis of the Tihama coastal plain and on the fertile, temperate terraces of the western and especially the southern uplands, although some large estates could be found even in irrigated pockets of the more rocky, arid central and northeastern plateau, where smallholders tended to predominate. Independent grain farmers, especially in the northern and central regions, were organized politically into tribes and tribal confederations that resisted royal administration and taxation. Not just the post-Ottoman period but centuries of Yemeni history could be summarized as central states' efforts to bribe or brutalize the tribes' shaykhs into submission, in effect to impose the tribute-collecting system.

Even as the imamate struggled for political and class hegemony, the system was being undermined from within and without. The weakest points were where the tributary system came into contact with external commercial capital: in Hodeidah, and through clandestine commerce and communications between Aden, in South Yemen, and North Yemen's southern provinces of Ibb and Ta 'iz. The defection of traders from the imams' monopolistic licensing system, the migration of thousands of smallholders, traders, tenants, and even sons of landowners and tax collectors, and the penetration of ideological influences from the Ba'ath to the Muslim Brotherhood into the army and the ruling classes, all conspired to destroy the semi-feudal order. In September 1962, the old imam died in his sleep and the Palace Guard prevented his son from assuming the
throne. Within days, the young republic banned the most hated extortions of tax collectors, nationalized the royal family’s holdings, and lifted restrictions on international trade, investment, technology, travel, and repatriation. Soon Yemeni riyals were minted and circulated. The main fetters to capitalist development were gone.

Elements of the ancien régime fought back, and the civil war became a regional conflict. ‘Abd al-Nasir dispatched Egyptian forces to assist the republican coup while the Saudis committed themselves to restoration of the monarchy. Egypt’s interest dwindled after its 1967 defeat by Israel while Saudi attitudes toward the YAR changed after the radical anti-imperialist revolution in South Yemen (the People’s Democratic Republic or PDRY) in 1968/69. The war in North Yemen formally ended in 1970 with Saudi acceptance of a modernizing republican regime with old royalists in its civilian coalition. The YAR was indebted to Egypt, hoped for Saudi charity, and attracted small international aid packages. Expatriate Arab advisors figured very prominently in the newly created or restructured ministries. Although subsistence agriculture continued to support a majority of tenant and smallholding families, imports climbed while exports stagnated.

The commercial bonanza

The infusion of oil revenues into neighboring countries occurred as a tentative peace settled over the YAR’s newly liberalized economy, at a time when the power of the tributary system had been broken but issues of internal power and organization were yet unresolved, when purses were strained by a destructive civil war and by a drought in 1971/72, and when both the Yemeni riyal and imported consumer goods were penetrating urban and rural markets. Part of the revenues to the Arab Gulf found their way via private transfers and official assistance to Yemen, where they financed rapid expansion, particularly in the construction, transport, and services sectors. The combined effects of migration and remittances led to what one team of observers labeled the “anomaly of a labor-short, capital-surplus, least-developed economy.” In this anomalous situation, the mobility and scarcity of labor, the expansion of the market, the increased value of non-landed wealth, and rapid growth in consumption tended to exacerbate unresolved tensions in ways that involved foreign powers more deeply in Yemeni affairs.

Cash remittances to a population of around eight million topped a billion dollars in 1979, and rose to $1.6 billion a year in the early 1980s. These funds were virtually untaxed, and two-thirds remained outside the nascent banking system, beyond the reach of the state and formal financial institutions. Remittances bought a transition from consumption of domestic products to consumption of goods from abroad. Despite the alarming ratio of exports to imports, the YAR sustained an overall balance of payments surplus, currency
parity with the dollar and the Saudi riyal, and national reserves that were the 
envy of most Third World oil importers throughout the 1970s. Labor was a 
valuable export commodity.

Migration abroad was not new to the Yemeni labor force, but now occurred on an 
unprecedented scale. It is no mystery why over a million Yemeni men—about a 
third of the male workforce, or "one from every house," as villagers put it—went 
to Saudi Arabia or other Gulf states during the oil boom. Internal liberalization, 
mobility, and hardship all coincided with the bonanza next door. Travel 
overland was easy, given the absence of passport checks until after 1978 and 
customary long-distance trade, herding, marriage, and pilgrimage across the 
unmarked border. Jobs and petty entrepreneurial opportunities for Yemenis 
either working alone or for fellow villagers abounded, especially in the 
construction and tertiary sectors. Rates of remuneration were good, and frugal 
living guaranteed high savings.

The export of male labor had several ramifications for the domestic economy. In 
the grain farming cycle, some seasonally redundant male labor could be spared 
without sacrificing productivity. Beyond this point, however, the loss of labor 
encouraged the taking of shortcuts (such as less frequent pruning) and 
abandonment of marginal terraces (supporting a row or two of sorghum). This 
tendency was exacerbated by the appearance of day labor, used especially for 
seasonal tasks like plowing and terrace maintenance, and the subsequent 
inflation in its cost. Eventually, farm hands became so expensive (unskilled, 
about YR 50 or $11 per day) that cropshares were renegotiated to benefit tenants, 
and high labor costs discouraged large and intermediate-scale farmers from 
intensifying production. With overall GDP growth at 8 per cent per annum, 
agriculture stagnated. The proportion of the workforce on the farm slid from 
near 90 per cent on the eve of the revolution to 78 per cent in 1975 and less than 
half in the early 1980s. The highest percentage increases were in construction (25 
per cent), trade and finance (60 per cent), and mining and manufacturing (10 per 
cent). Yet the World Bank estimated an additional 38,000 workers were needed 
at all levels.

Loss of labor was only half the story. The other half was the flood of 
remittances, which in practice meant goods as well as cash. Before turning to the 
question of how remittances modified overall patterns of consumption and 
especially investments, it is important to map the forms and distribution of 
remittances. Wages and profits were transmitted back in three forms. First, it 
was business-wise to purchase consumer items in the Gulf. Migrants bought and 
loaded a pickup or tractor-trailer truck with goods for their families and to sell, 
typically with a mind to using the vehicle to generate future income. Many 
"migrants" made regular round trips, bearing goods purchased cheaply into the 
YAR and returning north with passengers and occasionally livestock or 
watermelons. Only toward the end of the period did the YAR government begin 
to tax this trade and curb smuggling.

Secondly, remittance agents and traders transferred funds for longer term 
migrants, accepting deposits in Saudi Arabia with instructions for stipends back 
home, purchase and storage of building materials, or investments in urban real 
estate. Agents thus performed a range of financial services, for a commission, and
represented an important element in the emerging bourgeoisie. A handful of big moneychangers dominating the market made vast fortunes, while a much greater number of smaller agents handsomely supplemented incomes from shopkeeping or other activities.

Lastly, migrants traveled home with thousands, sometimes tens of thousands of dollars' worth of Yemeni or Saudi riyals stuffed in their belts. This cash, like transfers through agents, was distributed in a number of ways. Sons made lump contributions to their family farms or trades in lieu of their work for the partnership, or paid debts to providers or protectors of their families in their absence. Brideprice and other marriage costs soared to over YR 100,000 (or $22,000) in some regions, paid to the bride's father (the largest share), the bride herself, and her women relatives. Finally, returnees spent exorbitantly on consumption for themselves, their extended families, and their friends. They bought clothes, gold, televisions, and linoleum, built new rooms onto family homes, and entertained lavishly. Chewing the mildly narcotic leaves of the qat plant, a luxury limited to certain high-elevation regions and high-income classes before the revolution, became a regular daily ritual for the vast majority of men and many women. A great deal more was spent on consumption than on production.

The huge investment potential represented by remitted earnings, therefore, was not held solely or even mainly by migrants themselves but dispersed among agents and traders, fathers-in-law, female and male kin, construction contractors, and qat sellers. So the fact that in the aggregate a portion of remittances was translated into private and collective forms of investment does not necessarily mean that it was individual migrants who were doing the investing. Indeed, apart from a couple of agents, this aggregate spending power was very widely dispersed.

The most common form of collective investment was in distributive services. Roads, water delivery, and electrification, in particular, were necessary to get Toyotas laden with televisions and washing machines to mountaintop villages. At least 60 per cent of the costs of some 15,000 kilometers of rough, bulldozer-hewn mountain tracks, hundreds of water collection and delivery projects, dozens of neighborhood, town, and village electrical generators, and scores of primary and intermediate school buildings and clinics, were borne in ad hoc fashion by agents and merchants, townspeople and traders, migrants and farmers, and sometimes the government and foreign donors. This type of expenditure figured prominently in overall domestic capital formation. These services, in turn, strengthened both commerce and the power of the central government in outlying areas, and greatly expanded opportunities for entrepreneurship.

Collective investments rarely generated income directly; rather, they laid the basis for private investments. The vast majority of all farm and business investments were undertaken by individuals and families. Most were small scale: a 1980 survey by the Central Planning Organization showed only sixty-nine industrial establishments with more than ten workers, for example, and the agricultural labor force was overwhelmingly organized at the household level.
Individual investments operated within a pattern of incentives and constraints that favored the tertiary sector. First, to be viable in sheerly economic terms, a domestic investment should promise returns comparable to what could be made in Saudi Arabia. Beyond this, the twin pressures of inflation and scarce labor favored speculation stocks of imports or urban real estate even as the same inflation closed these options to new small investors. Petty shopkeeping and services like driving or grain grinding consequently became highly competitive and minimally profitable. For the skilled, small-scale construction-related industries such as carpentry, metal door manufacture, and production of distinctly Yemeni arched stained-glass windows were good investments.

In agriculture, the potential for investments in tractors and irrigation technology was limited first by the generally mountainous terrain and terrace cultivation and secondly by the limited number of contiguous holdings of a hectare or two. Such innovations also generally involved a substitution of hired for imputed (family) or fixed-share (tenant) labor. The most lucrative agricultural commodity in the late 1970s was the hardy, undemanding, highly marketable qat, grown only at certain elevations and serving a domestic market; other cash crops like cotton, dates, coffee, and tobacco suffered from the competition of imports. The most attractive sectors for private investment, therefore, were wholesale or retail trade in imports or qat, related transportation and services, and the real estate and construction sectors.

While remittances were the source, direct or indirect, of most private capital, foreign donors underwrote the state. External loans, grants, and direct project assistance accounted for over three-quarters of government expenditures in the 1976-81 period. The Saudis and other Gulf "petrocracies" had every incentive to be generous to the YAR—neighbor, labor-supplier, excess capital absorber, potential breadbasket, bulwark against the communist menace in South Yemen. Important government infrastructure partly or wholly financed by Arab oil revenues included strings of stone school buildings, the University of Sana’a campus, and salaries for tens of thousands of non-Yemeni Arab teachers; direct subsidies both to the YAR central budget and to the recalcitrant northern tribes; major hospitals and other medical facilities; a complete national color television station; restoration of the ancient Marib dam to operating order; two paved north-south highways; technical planning assistance; and so forth. Direct bilateral assistance combined with Arab and international development funds to total billions of dollars for social and economic infrastructure, favoring the five main towns but not entirely neglecting provincial centers and rural areas.

The oil boom also attracted other international donors to the YAR, the closest "needy" nation to the strategically and economically indispensable Arab Gulf. Hence along with the petrodollars came loans, grants, technical personnel, and scholarships from nearly every Western and socialist donor. For example, Egyptian, Sudanese, Russian, Chinese, German, Swedish, Norwegian, American,
Italian, French, Irish, and other nationalities' doctors and nurses treated Yemeni patients. The World Bank took a lead in designing and financing major regional and infrastructural projects, and the United Nations organizations, the Arab Development Fund, and other multilateral agencies also played an active role. The Federal Republic of Germany was the largest non-Arab donor, followed by the USSR. Overall, foreign assistance enabled the government to undertake ambitious though poorly coordinated construction and services programs.

In short, then, remittances from current and previous migrants combined with foreign assistance to generate several forms of new investment: large-scale, state-sponsored infrastructure; smaller-scale, collectively financed services; some major and countless minor trading, transport, construction, and light industrial sector enterprises; and unprecedented marketing of imported manufactures and food. Massive external financing promoted the urban-based construction boom both directly in the form of contracts for roads, airports, public buildings, and other facilities, and indirectly in the form of demand for residences for Arab and Western expatriate workers. If remittances were fueling the "downscale" end of both demand and construction, international assistance was financing large or "upscale" projects.

The influx of private and public funds, an exploding domestic market, and fast-paced urban expansion together lured still another source of capital. What might be called the absentee bourgeoisie, the sons and daughters of Yemenis who had migrated to Aden, East Africa, Asia, Europe, and America before the revolution, began "returning" to Yemen as revolutions swept their new homes or simply because of rapid growth in the Yemeni economy. Many Adenis, North Yemenis, and half-Yemenis repatriated all or part of businesses such as equipment or auto dealerships or travel or currency exchanges; others invested in Yemeni real estate, construction, or modern restaurants and supermarkets. Another segment of this group brought fluency in technocratic English to high positions in the new ministries. Larger in number but smaller in influence were those who parlayed mechanical, office, or linguistic skills into "modern" sector jobs. Finally, refugees and emigrants from Vietnam and East Africa (unwelcome in Saudi Arabia) formed the core of a new working class of factory workers and household servants.

The transfer of vast sums into a small economy also hastened and molded a process of class transformation already begun when the inner circle of the old aristocracy collapsed. Absentee businessmen and intellectuals joined agent-banker-traders, a lone industrial magnate, some old monopolists, certain landowners, and the happy owners of farmland situated for sale as urban real estate in the emerging, primarily commercial bourgeoisie. Petty trade and restauranteuring, despised before the revolution, became popular occupations, and merchants earned new respect. Migration was the avenue for poor smallholders, sharecroppers, and artisans to enter the ranks of the self-employed petty bourgeoisie, but failed entrepreneurs, freed tenants, marginal smallholders, and poor emigrants constituted a small and growing wage-labor force. The mobility of labor, unprecedented value of non-landed wealth, and
changes in taxation, services, and commerce all challenged existing social relations.

Economic expansion and class realignment entailed struggle, particularly between declining agrarian elites and rising commercial classes. Especially in the southern and central regions, the efforts of republican officers and administrators, merchants and peddlers, coffee and qat growers, and migrants and truck-owners to cut roads or divert irrigation water for household supplies met with resistance from landlords, who blocked bulldozers, intimidated work crews and brought lengthy legal, bureaucratic, and political suits. Competition among communities or clans for access to projects took the form of contests and tiny wars over road alignments, water utilization, generator ownership, and school or hospital locations. Many innovations complicated generations-old claims to water, land, and markets.

From Sana'a, a succession of regimes fought to secure the state's tax base, its frontiers, and its legal authority. The forces resisting the state were diverse. Most cases contained elements of a tax revolt, and many regions conditioned loyalty on the provision of services and other benefits. The Hashid and Bakil tribes of the north and east, while hardly "traditional" when it came to market participation, presented tribal law as a viable alternative to central authority and charged that government projects favored the more productive southern and coastal regions. The Sunni Shafacis of these regions counteralleged that the republican government, as much as the imamic system before it, represented the Shiite Zaydi sect of the northern and central highlands. When struggles by communities of farmers, tradespeople, and migrants for access to new services faced feudal intransigence, on the one hand, or the preferred standing of a wealthier rival community, on the other, these struggles sometimes associated overtly with the loosely organized progressive movement known as the National Democratic Front (NDF) or simply "the front." These conditions were especially prevalent in those southern and central districts where traditional landowners' authority remained strong.

One of the NDF's positions was support for unity, or at least closer cooperation, with South Yemen. Not only the small political left but also, in varying degrees, people in the southern uplands and Tihama, families with kin or personal ties to the South, and many educated nationalists argued that a single nation with coasts on two seas and combined budgets would be more viable than two states. This position was made somewhat tenable at the governmental level by the fact that Southern natives held high positions in the YAR, as did Northerners in the PDRY. But it was vigorously opposed by many religious and economic conservatives, some merchants who had fled the revolution in the South, northern YAR regional interests fearing a southward shift in the national center of political gravity, and most especially by the Saudis.

As its greatest benefactor, Saudi Arabia wielded considerable and sometimes paradoxical influence over the YAR. After 1970 Riyadh abandoned the royalist cause in favor of molding a friendly republican regime through bilateral assistance, subsidies to both tribal and rightist elements, and negotiations with
the United States on behalf of the YAR and against the PDRY. Massive budgetary support ensured a say in policy, as in the field of education, where university libraries closed for prayer, classes were segregated by sex, and at least one unveiled woman was stoned by fundamentalist students. Religious institutes replaced some secular community schools, and history books stressing a common legacy with South Yemen were revised. Cash grants to both the recalcitrant Hashid and Bakil confederations and the fundamentalist "Islamic Front" fortified resistance to the government and domestic progressives. All of these policies were just slightly contradictory, pushing modernization with a reactionary face and fostering government power within definite limits.

The Saudis were now likened to the Egyptians a decade earlier. It was remarked that their broadcast news maps showed no southern border, and that this or that narrow stretch of frontier had been annexed by the Kingdom. Riyadh was implicated in the assassination of President al-Hamdi on the eve of a state visit to Aden, and in both the choice and the removal of his successor. The considerable influence of the Yemeni-Saudi Coordinating Committee in domestic as well as foreign policy was a source of irritation, as was the American sale of arms to Yemen through Riyadh in 1976.

The year of two assassinations, 1977/78, was the nadir of state power. As usual, many of the northern tribes were in revolt. In the central and southern highlands the National Front "took over" a dozen or two districts, getting sympathizers into locally responsible positions, organizing community services and roads, evading taxes, and defying central authority. The army, backed by some tribal contingents, counterattacked, driving some rebels into PDRY territory. By New Year's, 1979, much of the southern half of the YAR was in turmoil, and Soviet-trained PDRY forces were on alert. The Saudis worried lest the progressive movement penetrate the kingdom via migration, bring an NDF-inspired government to power in Sana'a, or gain their objective of uniting the two Yemens.

Though largely unrelated, these events coincided with the Iranian revolution and with Arab opposition to Camp David, thus coming at a time when Riyadh was especially vital to Western security and oil supply interests. This confluence of events attracted unusual U.S. official, press, and scholarly attention to Saudi security concerns, notably surrounding events in Yemen. Following Defense Secretary Brown's visit with Prince Fahd, the Carter administration hastily ordered some $300 million worth of F-5 fighters, armored personnel carriers, tanks, howitzers, and light weapons for sale to Sana'a via the Saudis; and a shipment of fire-spitting Vulcan anti-aircraft weapons, promised in 1976, was dispatched immediately along with trainers and advisors. As the fighting escalated, Saudi troops went on alert, and the White House responded with a show of military force in the Arabian Gulf, another $100 million in arms, and authorization for covert operations based in North Yemen against the PDRY.
Through this deal the Saudis regulated Yemeni access to the weapons, contingent among other things on limiting relations with the Soviets, the PDRY, and Libya, and guaranteed a still stronger Saudi role in North Yemeni domestic politics. The arms package constituted implicit American recognition of Yemen as a client state of Saudi Arabia, and Yemeni officials and citizens complained of Washington's failure to deal with the YAR as a sovereign state.

Thus both politically and economically, the YAR had become integrated into the global political economy as a dependency of Saudi Arabia. Saudi control was not absolute, as new agreements with the USSR were soon to underscore, but there was no significant policy sphere—trade, finance, education, internal security, foreign policy—in which the Yemeni state was genuinely autonomous from its northern neighbor. This high degree of external dependency coincided with near anarchy in more than half of the country's eleven provinces as Sana'a faced not one but multiple insurrections and a virtual collapse of national taxation during the period 1977 through 1982.

THE DOWN SIDE OF THE CYCLE

Between 1982 and 1985, the combined oil export revenues of Saudi Arabia, Kuwait, and the United Arab Emirates slid from over $180 billion to under $60 billion. During the same four years, private transfers into the YAR fell from $1.4 billion to $.6 billion. Although the YAR remained a priority in the Gulf's sharply reduced foreign assistance budgets, the days of unchecked largesse were gone. Thus the two major supplies of hard cash to the YAR economy were curtailed. Yet, as in the Gulf itself, there was no return to the situation before the boom, because while revenues held constant or declined, many expenditures continued to climb. At both the national and the household levels, it cost more and more to maintain the standards and expectations tasted during the bonanza.

Despite progress on necessary, basic infrastructure and services, very little of the cash "surplus" of the 1970s had led to productive substitutes for migration and importation. The government had been ill equipped to direct investments, and private investors found speculation in imports and real estate generally more lucrative than agriculture and industry. The results were felt in the 1980s. The money and water spent in agricultural development and manufacturing had yet to be justified in terms of either nutritional or hard currency returns, and equipment, fuel, and raw materials all came from abroad. While its GNP per capita now rested at a moderately comfortable $550 a year, deficits, debts, and underproductivity cast long shadows over the economy.

Rates of new migration peaked in the late 1970s but numbers remained fairly high through the mid-1980s because the Arab Gulf economies still seemed to offer opportunities for earnings and savings that compared favorably to those available at home. But new migrants, finding the smaller numbers of jobs filled
by Asians accustomed to low wages, now often returned home after only eight or nine months with far more modest savings than their predecessors.

External financing changed hands and forms. Assistance from Iraq dried up due to its war with Iran. The oil kingdoms continued to pay for existing programs but curtailed new grant commitments. Much of the difference was made up by new Arab and international loans, funds from East and West Europe and China, and disaster relief after the 1983 earthquake in Dhamar. In the meantime, however, earlier notes came due; some were rescheduled; more loans were taken. The spending power represented by international assistance declined, and for the first time the government resorted to private borrowing.

Despite steady GNP growth for a decade, domestic production was lagging. The agriculture labor force, per cent of GDP from agriculture, proportion of all investment in the farm sector, share of national and family diets produced locally, agricultural exports, and overall food production all continued to drop. Localized gains on newly pump-irrigated holdings and the importation of expensive fertilizer and equipment notwithstanding, food production was lower in the mid-1980s than it had been a decade earlier, while cereal imports had increased more than fourfold. In addition, especially as long as the riyal retained parity with the dollar, domestic producers of Yemeni dates, coffee, cotton, tobacco, eggs, chickens, nuts, fruits, and oils all suffered from the competition of cheaper imports more efficiently marketed. Food and live animals represented 30 per cent of imports into a still primarily agricultural economy.

With migration and farm opportunities tightening, unemployment threatened a formerly labor-short economy. Acute competition among throngs of drivers, shopkeepers, graingrinders, and even gas-station owners minimized their profits. Though still fairly brisk, annual additions to the state payroll for the army, office workers, and teaching, health, engineering, and maintenance staffs failed to pick up the slack, partly because foreigners filled so many skilled positions. No transnational corporate employers were drawn to the Yemeni market, for the labor force was unskilled and expensive by international standards. Chinese and Korean road construction contractors brought their own crews. Several thousand new jobs in public and private factories notwithstanding, most new "modern sector" jobs fed either the government or the trade deficits. And yet there remained acute shortages of skilled personnel.

Earnings remained constant while inflation eroded spending power. The standard taxi fare of YR 15-20 between locations in Sana’a, daily wage rates from YR 50-150 per day, and government salaries around YR 1,500 a month barely changed between 1979 and 1987 despite inflation in commodity imports of 25 per cent per annum. Having sacrificed a portion of the harvest to keep sharecroppers on the land a decade earlier, landlords now demanded a return to the status quo ante or took bank loans for inputs to justify retaining a larger share, so sharecropper incomes declined. Imported white wheat steadily
depressed demand for the rainfed grain crops of the great majority of small farmers.

Household, business, and public consumption of imports mounted, while the value of exports stagnated. In the early 1980s, the World Bank figures grew ominous. In 1980 there was a current account deficit of $478 million, and external public debt of $836 million, equal to 27 per cent of GNP. Still annual debt payments of $5 million a year came to only .6 per cent of GNP and only 6 per cent of the value of exports of goods and services; while international reserves, at $1,289 million, were still adequate to cover seven months' imports. Three years later the picture was much darker. The current account deficit reached $558 million. External public debt, now $1,574 million or more than 38 per cent of GNP, required annual payments of $13 million or 1 per cent of GNP and 14 per cent of the value of goods and services exported. Reserves, down to $369 million, a quarter of what they had been, would now cover only two months' spending abroad. In 1983, exports of $204 million compared with imports of $1,521 million.

Balance of trade deficits led to austerity measures beginning with the second five-year plan in 1982. The riyal, which during the boom years had been held at a constant, unified value against the dollar of $1=YR 4.5, was devalued; and imports, particularly of fruits and vegetables, were restricted to make domestic produce more competitive locally. But deficits dipped only slightly before worsening further. By mid-1986 a dollar would buy nearly twelve riyals, and more could be had on the black market. In August 1986, imports were temporarily suspended to trim that year's deficit and reduce consumer demand through higher prices. In 1987 the government brought suit against Sana'a's biggest moneychangers/remittance agents, forcing them to close shop and unifying the price of the riyal at the bank rate (between 9 and 10 riyals per dollar).

All the while, road use and demand for schools, medical facilities, electrification, and water pumping schemes still multiplied. In twenty years, crude birth rates had dropped 6 per cent and death rates 21 per cent thanks in part to over ten times more doctors and other medical personnel. A third of children were in primary school. Annual energy consumption was up to the equivalent of 116 kilograms of oil per capita. In cities and towns, consumption of piped water and packaged goods created the need for sewers and regular garbage disposal. As use of and demand for services mushroomed, so did government expenses. Not surprisingly, with revenues down and expenditures up, ministries couldn't make ends meet. By 1982 the government deficit had climbed to a third of GDP. By cracking down on smuggling and tax evasion, the government managed within five years to drive its deficit below twenty per cent of GDP, while the debt service ratio rose to about fifteen per cent.

As the government response to the economic crunch indicates, its role in economic policy was stronger than during the bonanza. President Salih survived a difficult first few years to surpass the tenure of any of his republican predecessors, replace banditry with check points on the nation's roads, and establish central administration in all eleven provinces. The army gained the
upper hand over but did not impose defeat upon the tribes and leftist forces; instead, some leaders were drawn into government and others into a "national dialogue" on constitutional proposals. Local administration was integrated with the multi-tiered network of cooperative development councils, whose nationwide elections drew more and more voters in each round between 1976 and 1986. After a fundamentalist victory in these polls in 1982, more progressives and intellectuals and even a handful of women were elected in 1986. National security surveillance shifted from the Yemeni to the expatriate community.

Legitimacy and control were reinforced. One important and complex policy restricted border crossings to passport holders and then denied passports to non-veteran men, bringing sons of ministers as well as of innkeepers and sharecroppers into the army. Illiterates served an extra year in reading classes. The draft plus additions to the civil service put thousands of families into state insurance, purchasing, and financial programs, while schools and training facilities and national television exposed them to the emerging civic culture.

Construction of national infrastructure, generally with foreign assistance, reinforced central authority. Roads and massive government complexes, and also schools, hospitals, and the national electricity system, had all helped extend the physical presence of the state to the frontier provinces of al-Bayda, Marib, the Jawf, and Sa'adah. Public buildings and services also penetrated down to the district level. Its provision of services and assertion of military control enabled the regime to centralize both tax collection and expenditures for local services, raising its own revenues and limiting the autonomy of communities to undertake projects. Even local and regional projects, which as often as not were a challenge to central authority at the outset, ultimately buttressed state hegemony.

Via migration, remittances, imports, wages, and services, every household was now tied into the riyal economy, and thus into the realm manipulated by monetary policy and affected by changes in foreign exchange. The contraction in foreign exchange, far more than the expansion that preceded it, called for decisive state action to marshal investments. The result was that for the first time since the revolution the government was practicing economic policy as opposed to pursuing a construction schedule. While still an open-market policy, this was a marked change from the extreme laissez-faire of the seventies.

Although the government acted against commercial interests in suspending imports, closing moneychangers, enforcing customs taxes, and imposing other austerity-linked measures, by and large the interests of the state and those of the bourgeoisie coincided in broad areas such as education, internal security, transport and communications, urban development, and multilateral foreign assistance, as well as in specific project-related purchasing and contracts. These interests triumphed over the motley range of landed, leftist, fundamentalist, and tribal forces, in part by co-opting them.

Reduced financial and economic dependence and greater internal hegemony enabled the YAR to assert greater autonomy vis-à-vis its northern neighbor. Controls on smuggling and passport checks made economic boundaries less permeable. Reductions in Saudi subsidies to the tribes and the religious right
eased several pressures and cleavages that had undermined the republic in the 1970s. Fences were mended with South Yemen and the NDF, and unity was prominent on the national political agenda. While observers were rarely sanguine about a true merger of the "socialist" PDRY with the "capitalist" YAR, common tourism, economic and communications ventures, publication and extensive discussion of unity clauses in the constitutional documents, joint forces sent to Lebanon during Israeli attacks, and other forms of cooperation long regarded as anathema to the Saudis now symbolized Yemeni nationalism and independence. Most analysts agreed that the YAR was successfully playing the Soviets against the Saudis and plotting a relatively independent foreign policy.14

In the mid-1980s, reserves of at least 500 million barrels of oil, well beyond domestic needs, were discovered in the YAR's eastern basin. Contracts with Hunt Oil led to hopes of revenues by the 1990s, but also necessitated a half a billion dollars' investment over a two-to-three year period, virtually all foreign exchange for purchases abroad. Fearful that being an oil exporter would reduce the country's prospects for concessional foreign assistance, the Central Planning Organization pointed out that even over a ten-year horizon revenues were not expected to offset the decline in remittances.15 In any case, the discovery, and evidence of additional reserves, put an end to planners' worst fears about the future of foreign exchange. Though its reserves were small compared with the Saudis', they put the YAR on the footing of a competitor for the first time, and both Yemenis and Americans braced for maneuvers to delay or control its oil and gas production.

In the short run, at least, the YAR was no less dependent on external financing to implement its domestic projects, but it was an increasingly multilateral dependency on Arab, Communist, Western, and multilateral organizations that granted no extraordinary influence to any one donor but rather afforded considerable leverage. The most prominent influence in developing the 1986-91 five-year plan was the World Bank, which proposed to co-finance capital-intensive agricultural modernization in the northern and eastern regions along the lines of projects already operating in the Tihama and the southern uplands and being executed in the central region. In unveiling the plan, the Central Planning Organization advised other donors that future projects must conform to targeted strategies and activities, else they would be declined.

While allocating capital to the oil sector, the third five-year plan gave priority to agriculture, where the strategy was to promote a "green revolution" in heretofore semi-arid regions by experimenting with imported technology and extending it through credit packages to cash farmers. The newly completed Marib Dam and a water development scheme for Wadi al-Jawf, both in the east, would bring thousands of hectares under private commercial production. The development plan for industry, while including some projects run by individual state agencies, likewise was to provide public, deficit-financed support for private investment in medium- to large-scale enterprises. This private-sector approach is a product not simply of the Bank's blueprint, for the Bank also
works with the PDRY, but also of the political and economic situation in the YAR. It defines the national economic interest as that of private equipment and machinery importers, kulak farmers, and native industrialists: neither the old landlords or the private financiers and consumer-goods importers of the remittance-boom era, but a productive capitalist class.

In the YAR, oil revenues can be expected to have a significant impact on domestic politics. The situation during the boom was one of capital dispersion, in which the private sector took initiatives independently of the government's plans and even taxation. Conversely, the Yemeni share of revenues from its oil production will accrue to the newly created Ministry of Oil and Mineral Resources. This foreign exchange will therefore be available to the state itself, or to a "state class" managing public assets, to invest in projects as it sees fit. The result should be a more powerful state more able to direct the economy through project initiatives, a reconfiguration of the bourgeoisie around managers of public assets, alliance of this class group with transnational corporate interests, and perhaps its clash with agrarian or other interests. In any case, it will be a more complex class situation entailing a correspondingly more complex series of questions regarding autonomy.

CONCLUSIONS: NATIONAL AND STATE AUTONOMY

Four points may be distilled from this account. First and foremost, the cycle in oil prices helped carry through the bourgeois revolution, that is, the penetration of capitalism and re-establishment of state hegemony and the struggles they entailed, such that national and state autonomy are now issues. Second, although its integration into world markets necessarily implied a loss of earlier autonomy, the contraction in currency transfers was associated with a relative restoration of national control over the allocation of resources. Thus, in 1988, the prerequisites for either self-directed capitalist development or dependency are in place. Third, the state is more autonomous from its class base than it was three decades ago, but now actively promotes the interests of a rising class as the interests of the nation. Finally, in recent experience there seems to have been something of a tradeoff between national and state autonomy, leading to the question of whether the YAR possesses sufficient legal, financial, and executive clout to exercise both hegemony and absolute autonomy from domestic and foreign interests.

One feature of dependency is overwhelming reliance on the sale of a single primary commodity for foreign exchange, such that fluctuations in the world price of that commodity determine growth or recession in the dependent economy. The YAR, exporting the most primary of all commodities, labor, experienced this dependency at second hand. Economic demand for Yemeni labor was generated by oil revenues to labor-short Arab countries, in turn determined by intricate global political and economic forces far, far beyond Yemeni influence. Although the YAR was not an oil producer, the price of oil was more
decisive for trends in GNP and national accounts than were domestic agriculture and industry combined.

The Yemenis learned that growth does not necessarily foster autonomy. Short-term growth realized from massive labor export and foreign aid reduced rather than enhanced economic and political independence. The period of greatest dependency brought development, if development is understood as transition from precapitalism to capitalism. Infrastructural progress accompanied the emergence of a new coalition favoring commerce over autarky and nationalist over theocratic values. The fortunes of millions of people became tied to the marketplace instead of the weather. But the development was dependent in that it was largely non-productive and externally oriented, thus ultimately not self-sustaining.

The strengthening and then loosening of ties to the regional core actually helped fortify Yemen's own core, centralizing political authority and economic control. In its third decade, the YAR's state and newly enriched classes enjoy unprecedented ability to appropriate and allocate resources within a political economy defined at the national level. Spending power that was widely dispersed is now increasingly concentrated. The periphery (workers, farmers, consumers) now must go through the center (the state, major trading houses) to get at the earnings (remittances, profits from trade) and resources (foreign aid, funding for local services) that could formerly be accessed directly. The Yemeni center has, in effect, bought internal hegemony with external political and financial debts, but is nonetheless somewhat better able to allocate resources to its own development than a decade earlier.

Prospects for relatively autonomous national development might well be greater than before the bonanza, inasmuch as infrastructural overhead can now support productive investment. Roads and utilities constructed at the regional and local level created a very rudimentary yet widespread network of services to support agricultural and even light industrial production for the market, rather than the concentration of expenditures in one or two wealthy urban, mining, or farm areas that typifies deep structural dependency. Foreign ownership in the economy is minimal. At the same time, the preconditions for dependency are also in place: national debts and deficits, the external intervention into planning and management they bring, an underemployed and underproductive domestic labor force, and newly prominent classes' external orientations.

It is now correct to identify the bourgeoisie as the dominant class, but with some qualification. First, vestiges of subsistence and tributary modes of production persist and may do so for some time to come. Secondly, the bourgeoisie is primarily a commercial class whose ties to workers have heretofore been indirect: to appropriate or accumulate the surplus of Yemeni labor, entrepreneurs have to handle their money, sell them goods, or construct their houses. While fairly lucrative, selling services does not have the connotations, or the effects, of employing labor. In Marxist terms, there is no direct class relation (or dynamic) between the bourgeoisie and working people.
State policy, the interests of the state as it sees them, is to encourage those with private capital to use it to both employ and economize on labor in productive enterprises. As an American-school comparative advantage-based model, it proposes to competitively export fruits and vegetables to finance the importation of consumer and capital goods. This policy does not directly go against either landowning or commercial interests, but it is designed to strengthen still nascent industrial and agricultural entrepreneurs and, by association, the formation of a proper working class. The state has defined its own interests in conjunction with investors in light of domestic and foreign political and exchange factors, therefore, rather than in response to prodding from kulaks and industrialists. Concerned above all with its hegemony, ideological, financial, and physical, the government seeks alliance with modern, entrepreneurial, national interests and will use state resources and assistance from sympathetic donors to empower them.

The theoretical point underscored by the Yemeni case study is that paradigmatic assumptions about national and state autonomy, whether the mainstream assertion that nation-states are by definition autonomous or the dependency inference that all Third World governments lack autonomy, cannot be made. Rather, national and state autonomy are variables. Quite simply, this means that each can take a range of values from positive to negative; that there is no necessary association between the two; and that other variables, specifically in this case the world price of petroleum, can be expected to alter the configuration of the state's relationship to outside powers and domestic classes.

NOTES

1. Modernization theory compares parallel histories across nation-states; although autonomy is not part of its basic vocabulary, the legitimacy, efficacy, and control of the state are a primary focus of inquiry. By contrast, world-systems conception of a single global history raises more questions about the peripheral state's autonomy from ruling class interests of the core than about internal state-building and capital accumulation. Whereas the former tends to assume both internal and external autonomy, the latter tends to assume the opposite. Current scholarship fuses the two perspectives in various ways. For instance, Thomas M. Callaghy defines the "search for sovereignty by the ruler and a ruling class" as "a quest for separation, autonomy, and diminished dependence vis-à-vis internal societal groups and classes and external groups in the world political and economic environment"; "Absolutism, Bonapartism, and the Formation of Ruling Classes: Zaire in Comparative Perspective," in Studies in Power and Class in Africa, ed. I.L. Markovitz (New York: Oxford University Press, 1987).

2. This has led to criticisms from Marxists such as Bill Warren, "The Postwar Economic Experience of the Third World," and James H. Weaver and Marguerite Berger, "The Marxist Critique of Dependency Theory: An Introduction" (both in The Political Economy of Development and Underdevelopment, ed. Charles K. Wilber (New York: Random House, 1984). It is of course well known that Andre Gunder Frank, widely cited as the founder of the dependista school, has now declared development and underdevelopment theories equally bankrupt.
3. Samir Amin finds four groups of countries: the wealthy, underpopulated petroleum-exporters, with only 10 per cent of the region's population but half the GDP and export earnings; a couple of more industrialized oil-exporters, which benefitted most from the boom; larger group of lightly industrialized non-exporters with half the population of the Arab world but only 20 percent of its income; and finally the "particularly underprivileged" periphery, including Yemen. The Arab Economy Today (London: Zed Books, 1982), 42-47.

Amin, of course, is the notable, and controversial, exception to the generalization made about the scholarly distance between Middle East studies and dependency theory. He has also paid considerable attention to the internal dynamics of dependency. His analysis of the mechanisms of appropriation from the periphery to the center has recently led him to call for "delinking" of peripheral nations from the world system.


5. John M. Cohen and David B. Lewis, "Capital Surplus, Labor Short Economies: Yemen as a Challenge to Rural Development Strategies," in the American Journal of Agricultural Economics (1979), review the literature on migration in Yemen through 1978, much of which was optimistic that remittances would be translated into productive private sector investments.

6. The social effects of migration on sending communities have been the topic of considerable research. Ahmad al-Kasir's "The Impact of Emigration on Social Structure in the Yemen Arab Republic," in Economy, Society, and Culture in Contemporary Yemen, ed. B.R. Pridham (London: Croom Helm, 1985) and Cynthia Myntti's "Yemeni Workers Abroad: The Impact on Women," MERIP Reports, no. 124 (June 1984), both focus on the agricultural economy.

7. Swanson has found in two studies in different regions that migrants were not especially inclined to invest their earnings in either private or collective enterprises. See Jon Swanson, "Some Consequences of Migration for Rural Economic Development in the Yemen Arab Republic," Middle East Journal 33, no. 1 (1979), and "Emigrant Remittances and Local Development: Cooperatives in the Yemen Arab Republic," in Pridham, ed.

8. Although it is clear that in the aggregate the ready cash to finance services came from remittances, there is very little ethnographic evidence of migrants as a group leading local project initiatives. See Swanson, "Emigrant Remittances"; Swanson and Mary Hebert, Rural Society and Participatory Development: Case Studies of Two Villages in the Yemen Arab Republic (Ithaca: Cornell University Rural Development Committee, Yemen Research Program, September 1981); and Sheila Carapico, "Self-Help and Development Planning in the Yemen Arab Republic" in Public Participation in Development Planning and Management, ed. Jean-Claude-Garcia Zamor (Boulder: Westview, 1985).


According to statistics cited by Paul Hallwood and Stuart Sinclair in Oil, Debt, and Development: OPEC in the Third World (Boston: George Allen and Unwin, 1981), 101, the YAR ranked sixth in OPEC bilateral aid between 1973 and 1977, with $593 million, although on a per capita basis aid to North Yemen was second only to Jordan, and the PDRY followed close behind. Hallwood and Sinclair argue that debts accumulated as a result of OPEC actions outweighed financial assistance, even for the majority of aid recipients that were, like Yemen, also major labor exporters.


13. This paper cannot do justice to the complexities and variations in tenancy arrangements, which in any case differ considerably by region, irrigation, crop, and socioeconomic circumstances. However, field research in the late 1970s produced a series of instances of rising cropshares to tenants (a third to half, half to five-eighths, two-thirds to three-quarters) and a few extreme examples of landlords surrendering all rights to coffee or date harvests. By contrast, in 1986 and 1987, the greater supply of labor edged sharecroppers' portions down. Moreover, the introduction of pump irrigation was accompanied by a sharp decline in harvest shares to tenants (eg., from half to a quarter) as well as additional work. By taking a bank loan on easy terms to finance irrigation, landowners could expect significant immediate profits. But the sharecropper could not expect to recover the halving of his share by a doubling of the return per day worked.


15. Interviews with CPO and World Bank officials in Sana'a, November 1987. See also David Hawley, in "North Yemen's Oil-a mixed blessing" (*MEED*, 3 January 1987) and Olfat Tohamy, "Promising Oil Finds Spur Government to Search for More" (*International Herald Tribune*, 26 September 1985).

16. Robert D. Burrowes, in *The Yemen Arab Republic: The Politics of Development*, 1962-1986 (Boulder: Westview, 1987), sees this as the victory of modernists over religious and other conservative elements, such that "they will have the funds to build the modern farms, factories, and secular schools they want, even if the traditionalists and their external patrons prefer mosques and religious schools" (p. 143).