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**Economic Policies and Rebel Choices: A
Comparative Perspective on Libya, Syria, and
Yemen.**

Master thesis

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Abstract

In modern history governments have had an active role in responding and influencing the economic circumstances of the state. Whether by allocating resources or administering reforms, peacetime economic policies have traditionally impacted actor's public support as the choice of policy can impact the perception of actor's legitimacy. Despite the plethora of competing definitions, political scientists agree on considering legitimacy as a basic condition of governance -as it entails the acceptance and commitment of a people to a political authority. Rather than a unique characteristic of the state, governance becomes an attribute belonging to any social arrangement that exercises "*function of statehood*". By focusing on the comparison between the Syrian, the Libyan, and the Yemeni civil war this thesis aim is to enquire whether a positive relationship can be assessed between government economic choices and rebel's legitimacy. Given the neopatrimonial character of the three states this dissertation will focus on the actor's economic behavior to assess legitimacy. For the purpose of this analysis, I have chosen to adopt an Elitist framework as it focuses on bargain dynamics between political actors and elites (or constituencies).

The methodological approach utilized is that of a comparative case study.

Keywords

Civil War, Economic Policies, Rebel Governance, Selectorate Theory, Comparative Case Studies, Legitimacy, Neopatrimonialism.

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Declaration of Authorship

1. The author hereby declares that he compiled this thesis independently, using only the listed resources and literature.
2. The author hereby declares that all the sources and literature used have been properly cited.
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Prague, July 26, 2021.

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Master thesis proposal

I. Research Question and Research Hypothesis

Research Question: do economic policies of the state impact rebels' legitimacy during a conflict?

The scope of this thesis is to assess whether the government's economic policies impact rebel governance in civil wars. My interest is to analyze the competition between the economic policies of the state and the ones of rebels in wartime to answer the question: in wartime, do government economic policies impact rebels' legitimacy?

Research Hypothesis: In neo-patrimonial political systems, if (a) the government economic policies promotes a centralized production model and exclusive elite bargains; if (b) the challenging rebel order is interested in altering the relations between society and the state; and if (c) the rebel order promotes a viable, alternative and inclusive governance model to those elites undermined by the state, then we can conclude there is a causal link between the government economic policies and rebels' legitimacy.

II. Topic and Research Goals

In peacetimes, governments hold an active role in responding and influencing the economic circumstances of the state. While this holds true for both democratic, liberal and illiberal countries, the latter states are more concerned with preserving economic stability. To further the economic interests of selected elites, governments can decide to regulate some aspects of their economic activity to engineer economic growth (Gaprindashvili, 2017). To ensure this,

policymakers have two main channels, fiscal and monetary policies, where monetary policies refer to those economic activities aimed at managing the money supplies and the use of credits, whereas fiscal policies refer to those maneuvers aimed at manipulating the allocation of taxes and government expenditures. Nevertheless, as Bjørnskov (2005) notes, economic policies are not a-political and political ideology has been significantly linked to economic growth, suggesting that a great part of politics can be understood by analyzing the economic agendas of the groups involved in the political process. By allocating economic resources to certain groups (and by the same logic depriving others of the same benefits), peacetime economic policies impact government public support. The choice of policy can make the government fall in and out of favor of those elites that can ensure continuity of the political institutions. As Bueno de Mosquita (2011) suggests in *“The Dictator's Handbook: Why Bad Behavior Is Almost Always Good Politics”*, this is especially true in illiberal democracies where the political actors need to efficiently reward the essential coalition of supporters to maintain power. According to the literature on Rebel Governance (Terpstra, Frerks, 2017; Hoffmann, Verweijen, 2018; Mamphilly, 2015), once rebels become involved in *governance* and start behaving like rebel government they face similar legitimacy issues, as legitimacy from the elites provides sustainability and replicability of the rebel social order in time. Authors like Mamphilly (2015), Clamphman (1998), and Jackson (1991) observe that *“recent ongoing conflicts (...) have witnessed the construction of elaborate systems for governing civilians by violent groups”* (Jackson, 2015:2), suggesting that governance is not a limited attribute of the states, rather the control over social interaction by a legitimate actor. In *Analyzing African insurgencies*, Clamphman (1998) argues that *“insurgent movements may for many purposes be regarded as quasi-states themselves, and they exercise many of the functions of the states”* (Clamphman,1998:10), *elite's legitimacy* becomes the dependent variable that I will be observing.

My research interest is to assess whether the state's economic policies, understood by the OECD as Economic Governance that consist in "*policies, laws, regulations, institutions, practices, and individuals that determine the context in which a country's economic activity takes place*" (Lewarne, Snelbecker, 2004:7) impact rebel economic choices in war times.

In order to address the research question, I would like to adopt the theoretical framework of neo-patrimonialism and employ a comparative case study methodology to observe the phenomenon of war economies, because their presence indicates the presence of governance by rebel organizations.

III. Theoretical Framework

The functional logic of neo-patrimonialism is that to ensure reciprocity between the legitimization of a leader as the head of an organization, and elites' cooperation. The goal is for the organization to establish itself as the main distributor of patronage goods and services while enacting an effective control system to prevent the rising of rival groups with autonomous access to sources of power. The endurance of the system depends on the reciprocity between authority and distributive policies ensured by the control system, which secures elite's cooperation. Therefore, the functioning of a patrimonial system necessitates: (I) elite cooperation, (II) distributive policies, and (III) a control system. Médard (1982) and the elitist approach argue that neo-patrimonialism allows to perceive the connection between political and economic spheres that become interchangeable, therefore making patrimonialism a heuristic approach as a theoretical concept. The choice of neo-patrimonialism as a theoretical framework is further justified by failure of other perspectives like the economic approach to account for the diversity of the rebel economic choices and for the stability of rebel's orders (Nathan, 2005). Starting from Collier and Hoeffler work (2000) which most prominent finding - the relationship between natural resources and probability of civil wars - is not based on the analysis of rebel's behavior,

rather is drawn from the correlation between economic factors of states (primary commodities of countries, resource type and geographical placing of resources) and their civil war settings. To Addison, Le Billion and Murshed (2002) fine-tuning of Collier' and Hoeffler (2000) theory in their empirical case study on African civil wars, who suggest that civil wars are durable because low-intensity conflicts have a greater pay-off than peace, the relationship between state economic policies and rebel's legitimacy remains undertheorized. Therefore, an actor-centric approach that focuses also on these actor's political agendas needs to be included in the analysis to account for the emergence of alternative socio-economic power arrangements to the one of the states. By adopting neo-patrimonialism as a theoretical framework, the first step in addressing the research question would be to (1) analyse the internal and external dimensions of the state economic system as suggested by Rufin (Grunewald, 1997) and (2) assess whether the logic of the state patronage system promotes an inclusive or exclusive dialogue with elites according to Lindemann elitist framework (Lindemann, 2008). 1. Rufin (1997) two dimension of analysis: - Internal dimension: How are local resources generated? How is the local economy organized? - External dimension: How are external contacts established? How does the exchange system function? 2. Lindemann (2008) framework distinguished inclusive vs. exclusive elite bargains models by observing different levels of elites access to (a) state structures (distribution of government jobs, distribution of parastatal jobs and distribution of jobs in the military sector), and (b) state resources (distribution of rents, distribution of land rights). Hypothesis 1: Centralized systems of production and exclusive elites bargain models promoted by the state are more likely to negatively impact the state legitimacy. A second step would consist of the analysis of rebel war economies, whether the rebel economic system represents an alternative to the one of the states, by using the same lenses adopted in the analysis of the state's economic organization. A practical example would be to assess whether the centralized behavior of the Libyan Government, that virtually owns every business, infrastructure and social service in Libya as determined by the 1969 Constitutional declaration, has impacted rebel's legitimacy. Haftar's forces for their part have been implementing an alternative social and economic order that proposes a diversification of the economy by allowing actors different from the state to sell resources like oil and metal. In order to measure the extent of Rebel's legitimacy and the appreciation of their policies by local elites, I will adopt Kalyvas (2012) control-collaboration model

that assumes that the elite's interests of securing their own survival and in maximizing access to basic goods and services enable strategic cooperation with rebels. As Rubin (2018) argues civil wars involve the competition between the state and rebel organizations for territory and political authority (usually) over a contested region. Nevertheless, as Tilly (1978) notices, rebel movements do not arise out of vacuum situations, rather suggests they are linked to the government polity mode they are subjected to. By defining those elites within the confines of the polity with low-cost access to state's resources, and those with lesser access, the structure of the polity and the relationship of the government with the broader society will define the type of grievances and the choice of methods of those that fall short of the government favors. (Sobek, Payne, 2010) As an outcome, the state's relationship with local communities both prior to and during civil war, shapes rebel-local elites' interaction. This model assumes that negligible differences exist among local elites - in terms of political inclination, distribution policies, religious creed, ethnic formation and other preferences that could hinder cooperation - and suggest that these actors share a common interest in reducing the level of violence and minimizing the depletion of basic services and resources. (Rubin, 2018). In other words, if the first assessment of the government's economic behavior would delineate the extent of the government polity by discerning those elites that enjoy low-cost access to the state's resources, I argue that by the same logic the assessment also delineates those elites that fall short of it. By assuming that the latter elites have an interest in changing the status of their relationship with the state and that there are non-trivial disputes among them, the analysis of the rebel's war economy would assess first, whether the rebel's polity addresses the elites' grievances, meaning that the interests of the elites fall somewhere within the boundaries of the new polity. And second, if the rebel system has means to maintain its viability in the future by assessing whether rebels aim at altering the relationship between state and society (war of legitimacy) or at replacing it (Sobek, Payne 2010). The model I propose suggests a causal relationship between rebels' polities and their legitimation from elites. If rebels engage in civil wars of legitimacy (Sobek, Payne, 2010) and their proposed polity addresses the elite's grievances, then rebel's legitimacy can be inferred. Hypothesis 2: Rebel orders that promote inclusive bargain models and challenge the state to alter the relation between state and society are more likely to be legitimized by local elites as alternative systems to the one of the states. Somali militias and gangs that employ pillage, banditry, and

extortion as means of sustenance don't usually serve a functional purpose to those local elites that wish to alter the relationship with the central government. Although some forms of looting can have strategic purposes and can transform local security arrangements, looting remains a short-term strategy, as it can lead to exhaustion of resources (Mamphilly, 2015). Territoriality seems to have an important role in functionality (Sack, 1986). According to Olson (1993), in social contexts saturated by roving bandits there is little incentive for individuals and groups to produce and accumulate anything, thus, little to steal. Therefore, by seizing a territory, establishing itself as an exclusive ruler and by providing some threshold of order and public goods, stationary bandits arise because of self-interest of those able to monopolize violence in a given context (Olson, 1993). Hypothesis 3: Rebel orders that are capable of monopolizing violence over a given territory and can implement governance models are more likely to be legitimized by local elites as alternative systems to the one of the states. The third and final step would be to compare the selected cases and assess whether similarities and patterns can be traced in answering the research question: do the state economic policies impact rebels' legitimacy in war times.

IV. Methodology

To address the research question, I intend adopting the comparative case study methodology (George, Bennett, 2005). This choice would allow me to conduct an in-depth examination of a single phenomenon, in this case elite bargains in civil conflicts, across different practical cases enabling me to draw similarities, differences and detect patterns among them. Comparative case studies as a research method of social sciences is more of a technique or an approach (Goldschmidt, 1966) rather than a prescribed inquiry method with strict rules and processes. In other words, it does not designate a proper method, rather it allows inter-unit comparison (Lijphart, 1971). By doing so, comparative case studies serve great theoretical purposes because they focus on discovering "empirical relations among a few variables" (Lijphart, 1971:687), meaning that they have a probabilistic aim rather than a universal one. With their context-specific analysis and their incorporation of the actor's perspective, comparative case studies allow researchers to omit marginal variables and focus on specifics of the case, overcoming the

problem of “too many variables but too little cases” (Lijphart, 1971:687), an issue often raised in case studies (George, Bennett, 2005). To do so, the choice of cases is fundamental and should not be left up to chance. Not only by choosing similar cases, one can overcome the shortcomings suggested by Lijphart, but one can focus on the selected dependent variables without venturing off in negligible (cultural) differences (Mill, 2012). The scope of my thesis is to assess whether common patterns can be observed between the way that the Libyan, Syrian and Yemeni states organize their economic framework and the way in which elites choose to legitimize rebel orders as alternatives to the ones of the states. The comparative case study model serves my research interest because it allows me to isolate the dependent variables chosen a priori (economic policies and elites legitimacy) and focus on their relationship rather than to develop a prescriptive theory that accounts for an entire phenomenon (George, Bennett, 2005). This way the ideological, historical, and cultural differences between the Ba’athist regime, the Tripoli-based Dawn Coalition forces and the Saleh regime become non-trivial factors to my research question. For the sake of parsimony, this thesis will focus on the economic aspects of government policies, in particular on the monetary and fiscal policies of states, the distribution of rents and of land rights, employment policies, access to services and resources and the lack or extent of private investment, with regards to which elites these policies benefit.

V. Case Selection

This dissertation will compare the Libyan, the Syrian, and the Yemen conflict, to assess whether similarities exist in the way economic policies of the state impact rebel’s legitimacy during conflict. The choice of the three cases has been done upon considerations regarding the shortcomings of comparative case studies as suggested by Lijphart (1971). In the attempt to “focus on the comparative analysis on “comparable” cases” (Lijphart, 1971:687) I treat patrimonialism as the form of interaction between my two dependent variables: the economic policies of the state and rebel’s legitimacy. The geographical and historical (post-colonial, post-Arab spring) context of the civil wars and the socialist character of the regimes suggests the patrimonial character of the elite’s interaction with the state in the

three cases, and the ongoing nature of the wars suggests the existence of a sustained war economy able to ensure the endurance of rebel orders. Nevertheless, despite the mentioned similarities in history, culture, and regional powers-projections the three cases also proffer substantial differences with each other offering variation of the surrounding factors that have led to the disruption of the state's social fabric, which render these three cases optimal cases for a comparative case study.

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Chapter I: Introduction

1. Deus ex Machina: the Arab Spring

In 2011 pro-democratic revolutionary movements known as the Arab Spring enveloped several North African and Middle Eastern countries. Inspired by the successful example of Tunisia that in December 2010 prompted authoritarian president Zine El Abidine Ben Ali to abdicate, activists from all over the region began to call for a radical change in the relationship between state and society and expressed their dissent on the streets.¹ Despite country-specific factors motivated the political and economic grievances in the Arab world, like religious tensions in Tunisia and Egypt, or sectarian division in Syria and Yemen, a common theme of democratic transition and political accountability of regimes characterized the protests that called for greater political participation and increased social freedoms.² Although poised to ensure democratic institutions and individual freedoms, the Arab Spring has led some revolutionary movements to spiral into civil conflict.³

By 2011, the hopes of a democratic transition had been eradicated by the Syrian regime, where a civil war broke out soon after the government met the protests with repression. In 2014, and 2015 the failure of state institutions in Yemen and Libya to deliver a reformed social contract to the people ignited the civil unrest that to this day characterizes the two states.⁴

¹ Britannica, T. Editors of Encyclopaedia (2021, January 27). Arab Spring. Encyclopaedia Britannica. <https://www.britannica.com/event/Arab-Spring>

² Ibid.

³ Ibid.

⁴ Ibid.

Literature on civil conflicts argues that whether aimed at replacing or altering the status quo, civil wars are fought over competing claims to legitimacy.⁵ Despite the plethora of competing definition, legitimacy is universally considered as the basic condition of governance as it entails the acceptance and commitment of a people to a political authority.⁶ Considering governance not as a unique aspect of the state, rather an attribute belonging to anyone group that exercises “*functions of statehood*”⁸ - monopoly of force, legitimacy, and rule of law – in other words, that social arrangements other than the state can be deemed as legitimate governance actors and retain control over the social interaction of a society.

In “The Logic of Political Survival” Bueno de Mosquita argues that the character and nature of the relationship between political authority and society is fundamentally dictated by two political institutions: the Selectorate and the Winning Coalition.⁷ The former refers to those individuals who play a role in selecting the political figures of a given polity, whereas the Winning Coalition comprises of those groups or individuals that have exclusive access to goods and services provided by the political authority. The size and mechanism through which the Selectorate identifies the leaders varies according to nature of the political institutions, for example in liberal democracies the electorate is generally the institutions through which the leaders in office are appointed.⁸ The social base of the Winning Coalition can also vary substantially and is indicative of the price the governance actor needs to “pay” for its legitimacy, nevertheless, it can never extend further than the Selectorate.⁹ Similarly in his analysis of rebel behaviour he argues that rebel political actors are more likely to accommodate elite’s interests when the (political) costs of doing so do not exceed the costs related to winning

⁵ Sobek, D. Payne, Caroline L. (2010). A Tale of Two Types: Rebel Goals and the Onset of Civil Wars, *International Studies Quarterly*, Volume 54, Issue 1, March 2010, pp. 213–2.

⁶ Johnston, N. (2018). Legitimacy as Political Capital in Insurgency. *Small Wars Journal*.

⁷ Bueno de Mosquita, B., Smith, A., Silverston, Randolph M. (2005). *The Logic of Political Survival*. MIT Press Books, The MIT Press, edition 1, volume 1, number 0262524406, September.

⁸ Ibid.

⁹ Ibid.

– meaning adopting a selective use of violence over a given territory in a favourable way for those groups granting recognition.¹⁰ As a logic of survival motivates governance, what this entails is that the policy output of a polity is hardly apolitical and is aimed at upholding the social contract between political authority and its Winning Coalition.¹¹

In “*The Dictator's Handbook: Why Bad Behaviour Is Almost Always Good Politics*”, Bueno de Mosquita argues that the distinctive hallmark of neopatrimonialism is a system of loyalties and dependence between administrative systems and elites, where leaders that occupy public offices need to reward an essential coalition of supporters - the Winning Coalition.¹² This clientelist logic of politics ensures the reciprocity between the legitimization of an organization as the main distributor of patronage goods and the elite's cooperation, while preventing the rising of rival groups with autonomous access to sources of power. Similarly, Button and Walle argue that unlike liberal democracies, post-colonial African regimes have been “*distinctly noncorporatist*”¹³, meaning that governing coalitions do not display the traditional (European) political corporatism that pivots around collective, formal, and institutionalized forms of bargains.¹⁴

In other words, if in liberal democracies the economic output of the state - the policies, laws, regulations, institutions, and practices¹⁵ - tend to reflect organized class interests of the domestic society¹⁶, in illiberal states the distinction between political and economic tool is blurred, and political actors dispose of both tools to alter, maintain, or change the social

¹⁰ Mosinger, E. (2019). Control and Collaboration: Simulating the Logic of Violence in Civil War for Political Science Students. *PS: Political Science & Politics*, 52(3), 543-548.

¹¹ Bjørnskov, C. (2005). Does Political Ideology Affect Economic Growth? *Public Choice*, 123(1-2), pp. 133–146.

¹² Bueno de Mesquita, B., Smith, A. (2012). *The Dictator's Handbook: Why Bad Behaviour Is Almost Always Good Politics*. Public Affairs.

¹³ Bratton, M., and Van de Walle, N. (1994). Neopatrimonial Regimes and Political Transitions in Africa. *World Politics*, vol. 46, no. 4, 1994, pp. 453–489. JSTOR, www.jstor.org/stable/2950715. Accessed 17 Mar. 2021.

¹⁴ Ibid.

¹⁵ Learn, S., Snelbecker, D. (2004). *Economic Governance in War Torn Economies: Lessons Learned from the Mashall Plan to the Reconstruction of Iraq*.

¹⁶ Bratton, M., and Van de Walle, N. (1994). Neopatrimonial Regimes and Political Transitions in Africa. *World Politics*, vol. 46, no. 4, 1994, pp. 453–489.

composition of the winning coalition. The private goods provided by the authority to core constituencies ensures reciprocity between political power and preferential access to goods and services of the selected elites. In other words, this group, the elites, control the “*essential feature that constitutes political power in the system*”¹⁷: legitimacy.

The relationship between the Selectorate and the Winning Coalition not only determines the type of policies a given political system is to implement but can also be indicative of which kind of challenges can arise and the chances of defection from the Winning Coalition.¹⁸ Political arrangements with small Winning coalitions are more likely to face challenges related to the extent of the redistribution of exclusive goods, however elite’s incentives to defect the incumbent status quo are dependent on the prospects of being included in the challenger’s winning coalition.¹⁹

Rubin calls the ability of elites to commit to a governance model different from the one of the states a community’s *collective action capacity* and argues that credible commitment by local communities is conditional on the political authority adequate resource allocation and governance model.²⁰ Rubin’s argument is centered around the assumption that in civil war civilian populations commit to rebel’s governance when there are incentives to do so like the protection of the community’s interests and security insurances. Specifically, like Bueno de Mosquita’s Selectorate theory, Rubin argues that given actor’s prioritization of the political objective elites in conflict zones use the tools at their disposal to protect their interests.²¹ Entailing that incentives to defect are also driven by chances of the prospect group to move societal relations closer to the elite’s ideal point. Such tools span from emotional factors—

¹⁷ Bueno de Mosquita, B., Smith, A., Silverston, Randolph M. (2005). *The Logic of Political Survival*. MIT Press Books, The MIT Press, edition 1, volume 1, number 0262524406, September. Pg. 10

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Rubin, Michael A. (2018). *Rebel Territorial Control, and Political Accountability in Civil War. Evidence from the Communist Insurgency in the Philippines*, Columbia University.

²¹ Ibid.

perception of fear, insecurity and social forms of envy- to ideological ones that include rivalry, prejudice and loyalty to the group.²²

Assuming that in neopatrimonial arrangement where elite's legitimacy is a fundamental character of governance, civil wars become a dispute between competing models of governance, where the standing government and rebels compete for elite's endorsement.²³ With neopatrimonialism as the bargain logic between political actors and elites, and elite's legitimacy the dependent variable, my research interests lie in the relationship between government's economic policies and rebel's legitimacy during a conflict. The goal is to assess whether in civil war a positive relationship between the economic behaviour of the state and rebel's legitimacy exists.

2. Theoretical Framework

2.1 Research Question and Research Hypothesis

Research Question: do economic policies of the state impact rebels' legitimacy during a conflict?

The scope of this thesis is to assess whether the government's economic policies impact rebel governance in civil wars. My interest is to analyse the competition between the economic policies of the state and the ones of rebels in wartime to answer the question: in wartime, do government economic policies impact rebels' legitimacy?

²² Cheng, C, Goodhand, J., Meehan, P. (2018). Synthesis Paper: Securing and Sustaining Elite Bargain Models that Reduce Violent Conflict. Elite Bargains and Political Deals Project, Stabilization Unit.

²³ Heydemann, S. (2018). Civil War, Economic Governance & State Reconstruction in the Arab Middle East. *Daedalus* 2018; 147 (1): 48–63.

According to Lindeman predatory behaviour from state elites is more likely to contribute to the onsets of civil war.²⁴ Like Bueno de Mosquita and Rubin²⁵, Lindemann argues that that by not accommodating social cleavages, governments can often provide incentives for the excluded elites to alter societal relationship and engage with rebels. In other words, regime's bargains model where small Winning Coalitions retain exclusive access to private goods ²⁶, have been associated with higher chances of rebellion and anti-regime insurgency.²⁷ Whereas governance models that promote inclusive and broad coalitions of elites are more likely to disincentive violent confrontation.²⁸ This is important for this research because understanding societal relations prior to a conflict is an integral element of this elaborate as one of the main assumptions of this dissertation is that government behaviour and intersocietal dynamics in neopatrimonial system set the environment in which rebel governance forms and spreads.

In answering the research question, the first issue that arises is how to assess the economic policies of neopatrimonialism states characterized by an extensive system of clientelism that lacks transparency regulations. In 2011 the lack of political and economic accountability of state institutions is what led in the first place to the outburst of social unrest in these countries. So how to account for the government's behaviour when in lack of transparency regulation? Rubin and Lindemann suggests that a starting point should be identifying how actor's internal and external economic relations are organized. How are local resources generated? How is the

²⁴ Lindemann, S. (2008). Do Inclusive Elite Bargains Matter? A Research Framework for Understanding the Causes of Civil War in Sub-Saharan Africa. Development Studies Institute, Crisis State Discussion Papers, February 2008.

²⁵ Rubin, Michael A. (2018). Rebel Territorial Control, and Political Accountability in Civil War. Evidence from the Communist Insurgency in the Philippines, Columbia University.

²⁶ Bueno de Mosquita, B., Smith, A., Silverston, Randolph M. (2005). The Logic of Political Survival. MIT Press Books, The MIT Press, edition 1, volume 1, number 0262524406, September.

²⁷ Lindemann, S. (2008). Do Inclusive Elite Bargains Matter? A Research Framework for Understanding the Causes of Civil War in Sub-Saharan Africa. Development Studies Institute, Crisis State Discussion Papers, February 2008.

²⁸ Ibid.

local economy organized? And how are external contacts established?²⁹ By looking at elite's (1) access to state structures - how statal, military and parastatal jobs are distributed- and (2) access to state resources - how resources in the form of rents, political and social rights are administered -, Lindemann suggests that a common pattern of behaviour can be traced between political actors despite the substantial lack of transparency of neopatrimonial systems.³⁰

Drawing on the Selectorate theory and on literature mentioned before, this dissertation considers centralized systems to be those political arrangements where the executive, legislative and economic power orbit in a single city or geographical area.³¹ Whereas for exclusive elite bargains I will refer to those political arrangements in which the Winning Coalition – the elites- circuit in well-defined social entourages (statal and parastatal jobs) and have access to services (access to public institutions and welfare) from which the *have-nots* are substantially excluded.³²

Hypothesis 1: Centralized systems of production and exclusive elites bargain models promoted by the state are more likely to negatively impact the state legitimacy.

A second set of challenges arises when including rebel governance to the picture.

First, how to account for rebel's political economy? And second, how to measure the extent of rebel's legitimacy?

²⁹ Rubin, Michael A. (2018). Rebel Territorial Control, and Political Accountability in Civil War. Evidence from the Communist Insurgency in the Philippines, Columbia University.

³⁰ Lindemann, S. (2008). Do Inclusive Elite Bargains Matter? A Research Framework for Understanding the Causes of Civil War in Sub-Saharan Africa. Development Studies Institute, Crisis State Discussion Papers, February 2008.

³¹ Ibid.

³² Ibid.

The first issue can be solved by analysing how the rebel's war economy is organized. War economies are indicative of a group economic organization because they account for the internal and external dimension of the polity.³³ Addressing the second issue however requires going back to the Selectorate theory and Lindemann's model. As mentioned in the previous section *legitimacy* becomes a quid-pro-quo granted to political actors in exchange for the low-cost access to *governance* structures and resources. This logic prioritizes survival and preferential access of elites to basic goods and services provided by the political authority, at the expenses of other constituencies. As such the state's relationship with the broader society, affects rebels-elites interaction.³⁴, as the survival logic will enable strategic cooperation between the two. In other words, I intend assessing elite's appreciation of rebel policies (*legitimacy*) by arguing that if the state promotes centralization and an exclusive bargain model, and rebel political economy accommodates the grievances of those elites cut out of the polity, by promoting inclusive policies, then Kalyvas control-collaboration logic³⁵ will be in place and therefore legitimacy can be inferred.

Hypothesis 2: Rebel orders that promote inclusive bargain models and challenge the state to alter the relation between state and society are more likely to be legitimized by local elites as alternative systems to the one of the states.

Sack suggests that territoriality often serves a functional purpose to the establishment of political orders.³⁶ Not only territoriality has been considered a traditional trademark of

³³ Learn, S., Snelbecker, D. (2004). Economic Governance in War Torn Economies: Lessons Learned from the Mashall Plan to the Reconstruction of Iraq.

³⁴ Sobek, D. Payne, Caroline L. (2010). A Tale of Two Types: Rebel Goals and the Onset of Civil Wars, *International Studies Quarterly*, Volume 54, Issue 1, March 2010, pp. 213–2.

³⁵ Kalyvas, Stathis N. (2012). Micro-Level Studies of Violence in Civil War: Refining and Extending the Control-Collaboration Model, *Terrorism and Political Violence*, 24:4, 658-668.

³⁶ Sack, R.D. (1986) *Human territoriality: its theory and history*. Cambridge, Cambridge University Press.

governance, but as literature on rebel governance suggests, actor's ability to gain territorial entity entails an assessed relationship with the elite and the population that inhabits the territory and entails rebel's capability and organization to seize and maintain its control. Following Olson's *stationary bandits'* logic, seizing a territory and stablishing itself as the (exclusive) political authority by implementing some sort of redistributive system of goods and services to the population, rebel social orders arise and are able to monopolize violence over a given territory.³⁷

In other words, a territorial entity entails that elite's bargain models and therefore a governance model and viability considerations are in place.

Hypothesis 3: Rebel orders that are capable of monopolizing violence over a given territory and can implement governance models are more likely to be legitimized by elites as alternative systems to the one of the states.

3. Methodology

Having explained how I intend operationalizing the different hypothesis, I intend adopting the comparative case study methodology to address my research question.

Comparative case studies are particularly useful when interested in the interaction between a phenomenon and a context³⁸ because they allow for the observation of a few variables while omitting marginal and negligible differences between cases. However, this can be only when the cases are exceedingly similar and the differences circumstantial. At this point the selection

³⁷ Olson, M. (1993). "Dictatorship, Democracy, and Development." *The American Political Science Review*, vol. 84, no. 3, Sept. 1993, pp. 567–576.

³⁸ Krusenvik, L. (2016). Using Case Studies as a Scientific Method: Advantages and Disadvantages.

of the cases become of fundamental importance and although substantially different the cases also have to display analogous variables in order to be “comparable”³⁹.

The biggest concerns regarding CCS point at the low external validity of the findings. This is because the CCS offers an encompassing context-specific approach that by incorporating the micro, meso and macro level of analysis often entails the limited generalizability of the findings.⁴⁰ Nevertheless, as Hamersley and Garger note, CCS are useful research method for preliminary research and hypothesis testing and can provide in dept analysis of complex real-life phenomena whose sample is knowingly small. For these reasons, the selection of the cases is extremely important to avoid shortcomings.⁴¹

3.2 Case Selection

As the scope of my thesis is to analyse the relationship between economic choices and rebel’s legitimacy in a civil war context, the CCS methodology serves my research interests because it allows me to isolate these variables and focus on their interaction. Considering the shortcomings of the CCS and attempting to “*focus on the comparative analysis on “comparable” cases*”⁴² the CCS methodology is useful only when the cases exceedingly similar and the differences circumstantial, for these reasons I have chosen cases that feature sufficient analogies yet display substantial variation to allow comparison.

For example, although Syria, Libya and Yemen share geographical proximity, have common historical trajectories and in modern times have been subjected simultaneously to socialist

³⁹ Lijphart, A. (1971). Comparative Politics and the Comparative Method. The American Political Science Review, Vol. 65, No. 3, September 1972, pp. 687.

⁴⁰ Krusenvik, L. (2016). Using Case Studies as a Scientific Method: Advantages and Disadvantages.

⁴¹ Lijphart, A. (1971). Comparative Politics and the Comparative Method. The American Political Science Review, Vol. 65, No. 3, September 1972, pp. 682-693.

⁴² Ibid. Pp. 687.

regimes and to the 2011 Arab Uprisings, each country's socio-political institutions, ethnical composition, and regime ideology changes considerably among the cases. In fact, if in Libya tribal affiliation and geographical proximity to the economic center has played an integral part of politics for over a century⁴³, in Syria constituencies tribal affiliation and economic preferences have driven the extent of groups affiliation to the regime⁴⁴, whereas in Yemen we find an intermix of the two with northern constituencies indulged by the party system to the expenses of southern ones.⁴⁵

Furthermore, I have limited the scope of my research interest to civil wars that feature neopatrimonialism as the logic of interaction between political actors and elites, and whose duration can suggest the institution of war economies on both the government and the rebel's sides. In fact, assuming that a logic of survival motivates the actor's choice to engage in an armed conflict - and thus is the outcome of a *costs-benefits analysis*⁴⁶ - then we can assume that war economies reflect the actor's choices and are extremely organized for the purpose of overcoming the enemy.⁴⁷

In this dissertation I will compare the Libyan, the Syrian, and the Yemen conflict, to assess whether similarities exist in the way economic policies of the state impact rebel's legitimacy during conflict.

4. Hypothesis Testing

⁴³ ⁴³ El Kamouni-Jassen, F., Shadeedi, H., Ezzeddine, N. (2018). Local Security Governance in Libya. Perceptions of Security and Protection in a fragmented Country. CRU-Report, Clingendael, Netherlands Institute of International Relations.

⁴⁴ Droiz-Vincent, P. (2014). State of Barbary (Take Two): From the Arab Spring to the Return of Violence in Syria. Middle East Journal, Winter 2014, Vol. 68, No. 1 (Winter 2014), pp. 33-58.

⁴⁵ Alley, A. (2010). The Rules of the Game: Unpacking Patronage Politics in Yemen. Middle East Journal, 64(3), 385-409.

⁴⁶ Bjørnskov, C. (2005). Does Political Ideology Affect Economic Growth? Public Choice, 123(1-2), pp. 133-146.

⁴⁷ Bueno de Mosquita, B., Smith, A., Silverston, Randolph M. (2005). The Logic of Political Survival. MIT Press Books, The MIT Press, edition 1, volume 1, number 0262524406, September.

The following research will be divided as follows. First, for each case I will be analysing the state's economic framework, by analysing the internal and external dimensions of the state political economy to assess how legitimacy is granted to the regime and whether inclusive or exclusive bargains are promoted by the state. A second step would then be to use the same tools to analyse the rebel's political economy with a focused attention on whether the rebel political order retains a definite territorial entity. The third and last step would be to compare the three cases and discuss whether common patterns exist and if the hypothesis can be corroborated.

Chapter II: Syria

5.1 Background to the conflict

The first influence of the Arab Spring in Syria began on January 26, 2011, turned into a full-scale uprising only in two months later in March, and escalated into a conflict by 2012. The initial scenario of the uprising was similar to the one experienced by other countries: non-violent protests calling for political and social reforms and economic liberalization. However, if at first the protests manifested a general dissatisfaction with the crony capitalist modernization prompted by Bashar al-Assad in the early 2000s, the use of force against demonstration soon escalated the movement towards its anti-regime sentiment, that today stands at the heart of the civil war.

By 2012 violence had escalated and as the civil war broke out the sectarian nature of the Syrian state unravelled. Since the 1960s the Syrian establishment had been dominated by the al-Assad family of Alawi minority – a Shia Islam group - which had buttressed its power by systematically exploiting the sectarian division of its society while prompting a highly unified, (Arab)nationalist and patriotic state.⁴⁸ However, given the secular, nationalistic and patriotic character of the Ba’athist party, the regime under Hafez was able to downplay religious division at its behest.

The traditional constituencies of the Ba’athist regime are found in the rural peripheries, where Alawites, Christians and rural Sunni families had been integrated into the Ba'athist cadres to stabilise power in the 1960s. This is because in the early days of the Al-Assad regime, Hafez

⁴⁸ Droiz-Vincent, P. (2014). State of Barbary (Take Two): From the Arab Spring to the Return of Violence in Syria. *Middle East Journal*, Winter 2014, Vol. 68, No. 1 (Winter 2014), pp. 33-58.

had understood the (survival) risks associated with the establishment of an independent business elite and had chosen to disallow such costs by promoting tacit and preferential agreements with selected rural constituencies to ensure continuity.⁴⁹

The rationale of Hafez rule was that of a balanced cohesion of the “*otherwise unruly society*”⁵⁰ countered by the modest provision of services.⁵¹ Following the 1963 coup that established the Ba’athist military regime, with the Alawites at the center stage of the political scene, the socialist party introduced their own authoritarian bargain framework. Much like the carrot and stick models proposed by Bueno de Mosquita⁵² and Lindemann⁵³, Hafez’s social contract included the provision of basic goods and services to the population and exclusive access to state structures to the elites of the selected constituencies in exchange for constraints on their political participation, and expression.⁵⁴

In striking the balance between public welfare and regime security between 1970 and 1991 the regime quintupled the number of public employees, from 136,000 employed civilians in 1970, to 685,000 in 1991, and as a consequence was able to also *increase* the military and security personnel that from 100,000 rose to 530,000.⁵⁵

Another corollary to the bargain model chosen by the regime was the culture of collective fear. For more than 40 years the Syrian regime had cultivated and instituted an elaborate intelligence and military apparatus whose main goal was to intimidate, sanction and deter any attempt of

⁴⁹ Droiz-Vincent, P. (2014). State of Barbary (Take Two): From the Arab Spring to the Return of Violence in Syria. Middle East Journal, Winter 2014, Vol. 68, No. 1 (Winter 2014), pp. 33-58.

⁵⁰ Khashan, H. (2016). An Uprising Waiting to Happen. World Affairs: The Journal of International Issues, Vol. 20, No. 2 (Summer (April-June) 2016), pp. 117.

⁵¹ Ibid.

⁵² Bueno de Mosquita, B., Smith, A., Silverston, Randolph M. (2005). The Logic of Political Survival. MIT Press Books, The MIT Press, edition 1, volume 1, number 0262524406, September.

⁵³ Lindemann, S. (2008). Do Inclusive Elite Bargains Matter? A Research Framework for Understanding the Causes of Civil War in Sub-Saharan Africa. Development Studies Institute, Crisis State Discussion Papers, February 2008.

⁵⁴ Droiz-Vincent, P. (2014). State of Barbary (Take Two): From the Arab Spring to the Return of Violence in Syria. Middle East Journal, Winter 2014, Vol. 68, No. 1 (Winter 2014), pp. 33-58.

⁵⁵ Khashan, H. (2016). An Uprising Waiting to Happen. World Affairs: The Journal of International Issues, Vol. 20, No. 2 (Summer (April-June). 2016.

political opposition and regime challengers. A network of kindship and affiliation ensured that the Al-Assad family secured the strategic control of *elite* units of the army and of secret services.⁵⁶ However, as the political establishment consolidated in the urban endeavours, the broad social base enjoyed by the regime in 1963 started contracting as the foundation of the state political and economic power increasingly rested in the hands of a few trusted exponents of the Alawite sect based in the capital Damascus and other pivotal urban centers.⁵⁷

5.2 Bashar al-Assad's Regime

Hypothesis 1: Centralized systems of production and exclusive elites bargain models promoted by the state are more likely to negatively impact the state legitimacy.

5.2.1 Access to State Structures

By the time Bashar succeeded his father in July 2000, the Syrian state relied more upon the immediate corrupted circles than on public support.⁵⁸ The new cadres of the regime reflected a new generation of (Alawite) elites that having inherited rather than fought for power and having been raised in the capital had lost touch with the original social roots.⁵⁹ However, not oblivious to the precarious conditions of the economy and its inefficiencies between 2000 and 2011 Bashar sought out to re-integrate the rural constituencies into the Syrian economic life, but eventually could not escape the *old guard* - the security and military endeavours - that had

⁵⁶ Droiz-Vincent, P. (2014). State of Barbary (Take Two): From the Arab Spring to the Return of Violence in Syria. Middle East Journal, Winter 2014, Vol. 68, No. 1 (Winter 2014), pp. 33-58.

⁵⁷ Yazigi, J. (2014). Syria's War Economy. European Council on Foreign Relations, Policy Brief.

always viewed reforms as a piecemeal driven by the need of the moment.⁶⁰ In fact, Bashar and the new cadres of the establishment represented the reformist wing of the Ba'athist party, that driven more by pragmatism than ideology, sought to modernize the regime to stand the challenges of the new century.

In the Selectorate theory Bueno de Mosquita suggests that changes in hierarchy and composition of the two institutions that support the governance structure - the Selectorate and the Winning Coalition - are driven by the necessity of the latter to survive in time.⁶¹ In fact, the *authoritarian upgrade*⁶² proposed by the new president was driven by what Bashar felt as the need to realign the Syrian state with society for the sake of the regime survival and (re)generate a sense of national legitimacy of the Assad family. This resulted in the extension of the patronage system of the Syrian state to those constituencies that while functional and functioning as anchors were considered innocuous by the regime.⁶³

According to some literature the recent Islamic revival in Syria is to be read as an attempt of the state to co-opt elites that would re-align the social base of the state.⁶⁴

The Islamist scene had been traditionally the milieu of strongest contestation for the regime since the 1980s, however seeking to bridge the gap between state and the Sunni community, the regime co-opted urban-based, middle-class, moderate-Islam wings into the state networks.⁶⁵ The new social base of the regime comprised of a restricted circle capitalists and urban government employees with ties with (urban) Alawi and Christian families.⁶⁶ The

⁶⁰ Khashan, H. (2016) An Uprising Waiting to Happen. World Affairs: The Journal of International Issues, Vol. 20, No. 2 (Summer (April-June) 2016), pp. 112.

⁶¹ Bueno de Mosquita, B., Smith, A., Silverston, Randolph M. (2005). The Logic of Political Survival. MIT Press Books, The MIT Press, edition 1, volume 1, number 0262524406, September.

⁶² Hinnebusch, R. (2012). Syria: From "Authoritarian Upgrading" to Revolution. International Affairs 88(1):95-113.

⁶³ Ibid.

⁶⁴ Khashan, H. (2016). An Uprising Waiting to Happen. World Affairs: The Journal of International Issues, Vol. 20, No. 2 (Summer (April-June) 2016), pp. 113.

⁶⁵ Hinnebusch, R. (2012). Syria: From "Authoritarian Upgrading" to Revolution. International Affairs 88(1):95-113.

⁶⁶ Ibid.

expansion of the banking sector, real estate, imports and tourism to the benefit of the new business elites, led to the decline and marginalization of domestic production to the expenses of the rural peripheries, and especially the Kurdish and Sunni constituencies witnessed an increased in the costs of living as a consequence.⁶⁷

Bashar vow of economic liberalization led to the emergence of a new business elite that (although limited and still heavily reliant on the state acquiescence), irreversibly altered the relationship between former elites and state.⁶⁸ In other words, the overstretched emphasis on the economic development of the urban centres and the newly established crony capitalistic network set in place by the regime antagonized the peripheries that had once represented the socio-economic base of the regime.⁶⁹

As Droiz-Vincent puts it *“the sons of what had been the social backbone of the Ba'athist regime (...) felt alienated and rose up against the regime in 2011”*⁷⁰.

The choice to redirect the state's finite resources towards more profitable sectors, by changing the composition of the Winning Coalition, rather than expanding it to accommodate the new business sector, it is a first element that would suggest an exclusive bargain model was in place in Syria.

When protest broke out in 2011 in the peripheries, the appeased approach of the regime towards reforms initially allowed for political decompression among the urban middle classes that given the enhanced status (albeit still selective freedom of expression) led the state-sponsored (and dependent) businesses to side with the regime, as they saw Bashar as a reformer.⁷¹ Since the beginning of the conflict, the urban echelons of the Alawi sect, the Christian and Sunni

⁶⁷ Khashan, H. (2016). An Uprising Waiting to Happen. *World Affairs: The Journal of International Issues*, Vol. 20, No. 2 (Summer (April-June). 2016.

⁶⁸ Droiz-Vincent, P. (2014). State of Barbary (Take Two): From the Arab Spring to the Return of Violence in Syria. *Middle East Journal*, Winter 2014, Vol. 68, No. 1 (Winter 2014), pp. 33-58.

⁶⁹ Ibid.

⁷⁰ Droiz-Vincent, P. (2014). State of Barbary (Take Two): From the Arab Spring to the Return of Violence in Syria. *Middle East Journal*, Winter 2014, Vol. 68, No. 1 (Winter 2014), pp. 33-58.

⁷¹ Droiz-Vincent, P. (2014). State of Barbary (Take Two): From the Arab Spring to the Return of Violence in Syria. *Middle East Journal*, Winter 2014, Vol. 68, No. 1 (Winter 2014), pp. 33-58.

communities that had become part of the state framework have sided with the government and have been distrustful about the revolution⁷². This is mainly because for the previous 40 years, the regime had manipulated sectarian division to the point of deterring minorities through intimidation. The reminiscences of the regime past violence worked as a deterrent against public displays of dissent and nurtured sectarian fears among a highly heterogenous society. Known as the *Hama syndrome* due to 1980s religious armed-revolt that generated in Hama but concentrated in Sunni-based districts and neighbours around the country, the Regime was able to rely on sectarian mistrust.⁷³

Further proof seems to be presented by the reaction of the new elites to the Arab Spring. In line with Bueno de Mosquita's Selectorate theory at the wake of the Arab Spring many groups sought after their relative gains and sided with the regime as the opposition had yet to offer a concrete post-regime plan.⁷⁴ Furthermore, experience with regime violent repression initially deterred many from joining the marches.⁷⁵ An important aspect of the Syrian co-optation strategy had been that of substantial lack of political integration of the minorities. In other words, in Bashar's Syria the Selectorate is much smaller than the Winning Coalition, and it comprises of Assad close family members and exponents of the Alawite sect.

Much like in the Libyan case where, the extent of the state's oil reserves allowed the regime to bargain economic rents and benefits in exchange for their absence in the political life of the country, the traditional *modus operandi* of the Ba'athist regime to secure alignment between welfare and regime security did not entail political inclusion. This partially explains the mid-way position of the urban middle class that while being wary about the revolution because of

⁷² Hinnebusch, R. (2012). Syria: From "Authoritarian Upgrading" to Revolution. *International Affairs* 88(1):95-113.

⁷³ Droiz-Vincent, P. (2014). State of Barbary (Take Two): From the Arab Spring to the Return of Violence in Syria. *Middle East Journal*, Winter 2014, Vol. 68, No. 1 (Winter 2014), pp. 33-58.

⁷⁴ Bueno de Mosquita, B., Smith, A., Silverston, Randolph M. (2005). *The Logic of Political Survival*. MIT Press Books, The MIT Press, edition 1, volume 1, number 0262524406, September.

⁷⁵ Droiz-Vincent, P. (2014). State of Barbary (Take Two): From the Arab Spring to the Return of Violence in Syria. *Middle East Journal*, Winter 2014, Vol. 68, No. 1 (Winter 2014), pp. 33-58.

its *unknowns* - as in the uncertainty of their position if a regime change is to happen - has increasingly called for greater political and administrative reforms.⁷⁶

Until regional and international patronage systems were in place, Syria had been able to co-opt constituencies even in the absence of extended oil reserves. Substantial benefits like agrarian policies, subsidies on oil and land products, fixed rates, and privileged access to state positions were granted to fundamental elites. However, the core of Syrian political and military life remained out of grasp for most of the influential constituencies. The regime chain of command, from its political units to the higher echelons of the military and to the secret services where accessible only through a network of kinship and loyalty to the president itself.⁷⁷ Despite the ideological differences between Hafez and Bashar, this legacy has not been altered in the succession of power, on the contrary it has enhanced the contingent loss of touch of the regime with its society.

The first reaction of the regime to the Arab Spring was a traditional mix of repression, appeasement, and co-optation.⁷⁸ However, as Bashar tried to disallow a Libya-like scenario where civil unrest provided an opening for foreign intervention against the regime, state repression inflamed the opposition. Thanks to communication technologies and the internet the protesters were able to amplify its strategy of non-violence, non-sectarian, democratic, and secular character of the uprising and promote a grassroots movement that quickly spread through the country. In return, the belief among security elite that regime appeasement would encourage the masses to sustain protests, empowered the hardliners to intensify the protest crackdown starting from their epicentres: the peripheries.

⁷⁶ Hinnebusch, R. (2012). Syria: From “Authoritarian Upgrading” to Revolution. *International Affairs* 88(1):95-113.

⁷⁷ Droiz-Vincent, P. (2014). State of Barbary (Take Two): From the Arab Spring to the Return of Violence in Syria. *Middle East Journal*, Winter 2014, Vol. 68, No. 1 (Winter 2014), pp. 33-58.

⁷⁸ Hinnebusch, R. (2012). Syria: From “Authoritarian Upgrading” to Revolution. *International Affairs* 88(1):95-113.

The anachronistic mix of repression and co-optation and the authoritarian character of the neo-liberal modernization attempt led to the failure of what Bashar had set out to implement, failing to immunize the regime from the Arab uprisings.⁷⁹

5.2.2 Access to State Resources

The Syrian uprising had initiated far from the centres of powers, in small and medium towns such as Dar'a, Banyas and Duma, and in popular quarters of urban centers like Hama, Aleppo and Damascus that had increasingly been marginalized by the regime since the 1980s.⁸⁰ Driven by the desire to reconcile XIX century Syria with the challenges and opportunities of its time, Bashar and the new cadres of the Party sought out to modernize the state by embracing economic liberalization. In the attempt to diversify the economic relations of the state for the first time the Ba'athist regime encouraged the development of a private sector in Syria's economic life to evade isolation, accumulate capital and generate growth in the attempt to integrate Syria into the world's economy.⁸¹ In other words, Bashar desire to implement economic liberalization did not originate from the internal pressure of the regime *have-nots*, but stemmed from the need to legitimize his authority, secure continuity of the Ba'athist regime and redirect the allocation of finite state resources towards more profitable sectors.⁸² In fact, if his father had been able to forestall reforms due to external assistance from the Soviet Union and the Gulf States and had managed to rule undisturbed, Bashar's Syria struggled to keep afloat and could not ignore the deteriorating domestic situation.⁸³ Therefore, the drive to

⁷⁹ Ibid.

⁸⁰ Droiz-Vincent, P. (2014). State of Barbary (Take Two): From the Arab Spring to the Return of Violence in Syria. Middle East Journal, Winter 2014, Vol. 68, No. 1 (Winter 2014), pp. 33-58.

⁸¹ Khashan, H. (2016). An Uprising Waiting to Happen. World Affairs/ The Journal of International Issues, Vol. 20, No. 2 (SUMMER (APRIL-JUNE) 2016), pp. 108-123

⁸² Hinnebusch, R. (2012). Syria: From "Authoritarian Upgrading" to Revolution. International Affairs 88(1):95-113.

⁸³ Ibid.

accumulate capital, engineer growth and lead Syria out of economic isolation in practice induced incentives for trade and investments while driving small and medium business, industries, and domestic production out of practice.⁸⁴ Private banking, the stock market, financial services, and telecommunication industries were established, and tourism and regional trade flourished. In 2008 plans to increase the autonomy of the Central Banks of Syria where initiated and processes to facilitate foreign investments where enabled.⁸⁵ Changes in banking regulations reduced the restrictions on foreign-currency transactions, while increasing the minimum capital baseline for private banks from \$33 million to \$220 million enabled banks to finance large-scale projects.⁸⁶

By 2005 Syria was among the largest investment recipients in the Arab world with 1.6 billion in 2006, against the 3 million of 2001 ⁸⁷, which further boosted other sectors like banking, tourism, and real estate to the detriment of the welfare dimension and domestic production that quickly experienced employment and budget cuts and an overall experienced severe contraction. ⁸⁸

Bashar's economic reforms also allowed Syria to improve its diplomatic relations and renew the state international image. However, on the domestic side not everyone could access the new entrepreneurial opportunities which led Syria's commercial empire to be dominated by business moguls with strong connections to the regime.⁸⁹ The capitalistic turn had happened at the behest of the regime, in the absence of the rule of law and without a long-term solution for

⁸⁴ Khashan, H. (2016). An Uprising Waiting to Happen. *World Affairs: The Journal of International Issues*, Vol. 20, No. 2 (SUMMER (APRIL-JUNE) 2016), pp. 108-123.

⁸⁵ Hinnebusch, R. (2012). Syria: From "Authoritarian Upgrading" to Revolution. *International Affairs* 88(1):95-113.

⁸⁶ Haddad, B. (2011). The Political Economy of Syria: Realities and Challenges. *Middle East Policy*, Vol XVIII, No.2, Summer 2011.

⁸⁷ Hinnebusch, R. (2012). Syria: From "Authoritarian Upgrading" to Revolution. *International Affairs* 88(1):95-113.

⁸⁸ Khashan, H. (2016). An Uprising Waiting to Happen. *World Affairs: The Journal of International Issues*, Vol. 20, No. 2 (Summer (April-June 2016), pp. 108-123.

⁸⁹ Haddad, B. (2011). The Political Economy of Syria: Realities and Challenges. *Middle East Policy*, Vol XVIII, No.2, Summer 2011.

the contracting public sector and of the domestic production like industry and agriculture.⁹⁰ In other words, despite the economic reforms and the formal shift towards a market economy, the political economy of the Syrian government retained a centralized structure, where affiliation and kinship ties ensure elites access to social security, resources and access to bureaucracy. Considering the shrinking financial means of the state for the public sectors that until then had widely predominated - due the cessation of financial assistance from the Soviet Union and Saudi Arabia that accompanied the regime change - financial austerity became the regime preferred solution for the welfare dimension.⁹¹ Overnight the state ceased to provide employment, rents, and subsidies that the majority of agricultural Syria had relied on. In fact, under Hafez, a system of subsidized prices on farming products and low rent on properties and land had kept most of the Syrian population out of poverty.⁹² The partial and widely unsuccessful transition to a market economy entailed a drastic reconstruction of the social base of the regime that from its traditional secular, liberal, and agricultural baseline shifted its rent-seeking alliances towards a more capitalistic-bourgeois axis.⁹³

Furthermore, adding to the picture the projected exhaustion of the state oil reserves, the US-imposed sanctions in reaction to Syria opening to Saddam's Iraq, and the severe drought that hit agricultural production between 2004 and 2011, the regime attempt to diversify its economic stance was at odds with its traditional constituencies, and the resultant legitimacy-crisis was a bomb waiting to go off.⁹⁴

By the time the Arab Spring overwhelmed the regime, the urban-rural distinction that had come to characterize the last years of his father's rule had reached major cities like Aleppo and

⁹⁰ Hinnebusch, R. (2012). Syria: From "Authoritarian Upgrading" to Revolution. *International Affairs* 88(1):95-113.

⁹¹ Haddad, B. (2011). The Political Economy of Syria: Realities and Challenges. *Middle East Policy*, Vol XVIII, No.2, Summer 2011.

⁹² Ibid.

⁹³ Ibid.

⁹⁴ Hinnebusch, R. (2012). Syria: From "Authoritarian Upgrading" to Revolution. *International Affairs* 88(1):95-113.

Damascus, where the overstretched and austere tones of the new regime left little space for social and economic absorption of the rural newcomers.⁹⁵ Peripheries, in both geographical and socioeconomic terms became the have-not of the regime that had nothing at stake in the status quo.⁹⁶

Eleven years after Bashar's accession to power the once popular and socialist Regime had dissociated itself from its traditional baseline, antagonized the peripheral profession-centered masses whose majority now lived under the poverty line, retreated its powerbase to the state new economic chokepoints and fostered unprecedented widespread malcontent.

5.2.3 The State War Economy

Considering the Regime reliance on foreign subsidies for most part of its existence, the Syrian state fits the pattern of a rentier state, that has survived by paying off and co-opting domestic dissenters in order to maintain control.⁹⁷ However, the economic stress caused by the changing situational elements, like the collapse of the Soviet Union, increasing divergencies among Arab states (especially with the Gulf States and Saudi Arabia), and the decreasing capacities of Syria's oil reserves entailed the reduced provision of social goods.

Bashar's succession to his father initially sparked a beacon of hope for new renewed intersocietal relations, however, it soon became obvious that the state had opted for the

⁹⁵ Droiz-Vincent, P. (2014). State of Barbary (Take Two): From the Arab Spring to the Return of Violence in Syria. Middle East Journal, Winter 2014, Vol. 68, No. 1 (Winter 2014), pp. 33-58.

⁹⁶ Ibid.

⁹⁷ Tokamajyan, A. (2016). The War Economy in Northern Syria. The Aleppo Project.

reallocation of its decreasing resources to more productive sectors, and that institutional, political, and administrative reforms were not going to follow alongside the economic ones.⁹⁸ Since June 2000 Bashar's economic logic had been that of reducing state's expenses (by privatizing a substantial part of the public sector), opening the economy to external investors, maintaining a relatively stable income of financial aid from regional partners, while providing basic goods and services to core constituencies.⁹⁹ This suggests Bashar's willingness to upgrade the regime, while retaining the centralized structure of power where Selectorate and Winning Coalitions are purposely kept separate. In other words, the conditions of the first hypothesis are met.

Paradoxically, the outburst of the civil war in 2012, the West-imposed sanctions, the decline of the national currency, the defection of sects of the army, the loss of Gulf-based financial income and the loss of north-eastern territories to rebel factions in 2014 have not reversed this logic. The increasing economic fragmentation of war-torn Syria has strengthened the internal economic relations of the regime where local stakeholders with direct ties to the regime have been enriching themselves at the expenses of the civilian population whose livelihood depends on state-distributed subsidies and basic-goods provision.¹⁰⁰

In 2012 the US and the EU sanctions forced the regime to resort to intermediate figured to sustaining its patronage system and maintain the provision of basic goods and services to the civilian population. The way this works is that by awarding government contracts to front business in neighbouring countries like Lebanon, or in Syria under a name not blacklisted by international sanctions, the regime can (indirectly) access goods and more importantly letters of credit issued by non-Syrian banks, circumventing Western sanctions. This enables the Regime to uphold their end of the bargain. Another source of income for the regime has come

⁹⁸ Haddad, B. (2011). The Political Economy of Syria: Realities and Challenges. Middle East Policy, Vol XVIII, No.2, Summer 2011.

⁹⁹ Yazigi, J. (2014). Syria's War Economy. European Council on Foreign Relations, Policy Brief.

¹⁰⁰ Tokmajyan, A. (2016). The War Economy in Northern Syria. The Aleppo Project.

from the decline of the Syrian pound which has opened new business opportunities for well-connected state cronies that with an average daily 10 per cent fluctuation of the currency have capitalized on the differential between official and black-market exchange rates which has enabled an easy cash-flow access to the regime.¹⁰¹

At every step there are intermediaries that benefit from these transactions, and this system has enriched the newly co-opted elites that by providing the intermediaries and front-businesses enable the government to maintain the continuity between benefits, provision of goods and elite's legitimacy.¹⁰²

Furthermore, the collapse of the security apparatus in the north-eastern regions and the consequent loss of those territories to rebel factions has represented the ultimate loss of touch between the regime and the agrarian and peasant constituencies enabling the government to relocate its economic resources elsewhere.¹⁰³ Although the loss of north-eastern regions has entailed the loss of both agrarian and oil-rich territories, their relevant constituencies, and major import-exports border posts, the government has diverted its economic interested and sponsored new projects in the more secure southern-costal line. Projects such as the construction of a new civilian airport in Tartous, the relocation of university facilities, the construction of a new solid waste treatment plant, and the expansion of the Lattaka free-trade zone can all be read as attempts of the Syrian government to attract foreign investments, stabilize the new economic base of the regime while making up for the considerable losses that the state had to endure.¹⁰⁴

Government's efforts have also focused on interdicting humanitarian and financial aid generating from international organization from reaching the rebel outposts. In 2014 around \$4

¹⁰¹ Yazigi, J. (2014). Syria's War Economy. European Council on Foreign Relations, Policy Brief.

¹⁰² Ibid.

¹⁰³ Ibid.

¹⁰⁴ Yazigi, J. (2014). Syria's War Economy. European Council on Foreign Relations, Policy Brief.

billion were granted by UN agencies to Syria alone.¹⁰⁵ While this has helped unburden the government who can divert its economic efforts elsewhere, it has increased the dependence of refugees and internally displaced civilians on international aid organizations.

Furthermore, the regime has also benefitted from financial, economic, and military support from regional and international donors. As early as 2011 Iran surfaced as a major stakeholder of the Syrian conflict and has been granting financial aid to Bashar in the form of oil, currency supplies, credit loans and import-export lines. Co-operation has also been registered between Syria and Russia, who since 2012 has been printing hard currency for the Syrian regime.¹⁰⁶

5.3 Rebels

Hypothesis 2: Rebel orders that promote inclusive bargain models and challenge the state to alter the relation between state and society are more likely to be legitimized by local elites as alternative systems to the one of the states.

Hypothesis 3: Rebel orders that are capable of monopolizing violence over a given territory and can implement governance models are more likely to be legitimized by elites as alternative systems to the one of the states.

5.3.1 The AANES and the Syrian Democratic Forces

¹⁰⁵ Yazigi, J. (2014). Syria's War Economy. European Council on Foreign Relations, Policy Brief.

¹⁰⁶ Ibid.

The Syrian rebel movement consist of an array of rebel organizations that while nominally allied in their strife against the Syrian Regime operate under several different command structures.¹⁰⁷ While opposition forces fragmentation is not an unusual phenomenon, literature on civil wars suggests that the Syrian configuration represents a unique and extreme case. The Syrian conflict revolves round three main block of alliances that do not conform to ideologically distinct political and military views nor feature high intra-movement coherence. By employing the Stanford's University Mapping Militant Organizations that assesses the number of Independent organizations only in presence of clear and institutionalized leadership structures with no higher dependencies, this thesis recognizes three main actors.¹⁰⁸

The main feature of the three blocks - the Syrian government forces, the Syrian Democratic Forces comprising of the YPG Syrian-Kurdish insurgents and the Free Syrian Army (FSA) opposition forces, and the Jihadist front comprising of Al-Qaeda forces and the Islamic State - is that ideological affiliation and shared identities do not guarantee intra-rebel unity. While this has prevented any diplomatic settlement between the opposition and it is multifaced factions, the internal ramifications and individual affiliations of groups has also prevented endorsement of any rebel faction by international actors.

The root causes of fragmentation go beyond the scope of this thesis that will limit itself to acknowledge the status quo of the warring parties involved in the Syrian civil war. When the Arab Spring began intensifying in Syria in August 2011 the previously dissident and highly dysfunctional political opposition began organizing itself. Because civil-society groups had been kept under control by the Regime's security establishment, when the demonstrations gained momentum, the opposition failed to deliver a cohesive movement and the uprising

¹⁰⁷ Walther, Oliver J., Pedersen, Steen P. (2020). Rebel fragmentation in Syria's civil war, *Small Wars & Insurgencies*, 31:3, 445-474.

¹⁰⁸ Ibid.

spontaneously sprouted in small but diffused neighbourhood-based movements.¹⁰⁹ In reaction to the increasingly violent regime crackdowns between 2011 and 2012 the formation of the Syrian National Council (SNC) and the creation of the Free Syrian Army (FSA) represented a first attempt to give an organizational body to the Syrian opposition. However, despite the ideological and material capabilities the weak institutions related to the political wing (SNC) and its abroad-based leadership failed to gain credibility as the opposition's political authority and was side-lined by the FSA as it did not possess enough leverage to influence Syria's domestic situation.¹¹⁰

In the mist of the gradual collapse of the state security framework in 2012 the SNC-FSA attempt led to the proliferation of parallel organizations that between 2012 and 2015 formed alliances, merged forces, and consolidated power around the three main actors: the Syrian government, the Syrian Democratic Forces, and the Islamic State.¹¹¹

Since 2015 the Syrian Democratic Forces have been the major powerbroker in North-Eastern Syria. Created with the support of the West and being the main ally against the fight against the Islamic State, the SDF comprises of a coalition between the local reminiscences of the Free Syrian Army (FSA) and the Kurdish People Protection Unit (PYG), that operates as a government through the Autonomous Administration of North and East Syria, the AANES.¹¹²

5.3.2 Access to Governance Structures

¹⁰⁹ Hinnebusch, R. (2012). Syria: From "Authoritarian Upgrading" to Revolution. *International Affairs* 88(1)/95-113.

¹¹⁰ Ibid.

¹¹¹ Ibid.

¹¹² Hatahet, S. (2019). The Political Economy of the Autonomous Administration of North and East Syria. European University Institute, *Wartime and Post-Conflict in Syria (WPCS)*, Research Project Report November 29, 2019, 2019/16.

In 2015, with the acquiescence of the West and the support of the US at the time preoccupied by the Jihadist insurgency in Northern Syria, the multi-ethnic coalition of the Syrian Democratic Forces (SDF) was founded. Operating in North-Eastern Syria, the AANES represents the most successful opposition-governance actor operating in the country. However, prior to its formalization in 2015, local constituencies had organized themselves under Local Coordination Committees (LCCs) that supplanted basic goods and service under the FSA banner that worked as the security shield for local communities.¹¹³ In fact, with the retreat of the state in 2012 former regime constituencies had reorganized themselves at the expenses of the new urban elites and enjoyed relative economic freedom given their access to border posts, farmable land and residing in the oil-rich regions. In other words, when the AANES was established in 2015, the local informal economy had already taken shape around former regime constituencies although lacked oversight and regional strategic coordination.¹¹⁴ With the integration of the LCCs into the SDF, the AANES was born, and as formerly disconnected Kurdish and Arab enclaves were merged under a single efficient governance system able to provide goods and services to the population while operating more efficiently than the Regime in Damascus. Paradoxically the elites that were cut-off from the regime new business networks resided in the country's food-basket that also contains 80% of the country's energy resources.¹¹⁵

Despite substantial losses to Jihadist groups and Turkish incursions, between 2016 and 2019 the AANES has had a territorial base that spans from Manbij, Raqqa and the Kobane region to

¹¹³ Hatahet, S. (2019). The Political Economy of the Autonomous Administration of North and East Syria. European University Institute, Wartime and Post-Conflict in Syria (WPCS), Research Project Report November 29, 2019, 2019/16.

¹¹⁴ Hinnebusch, R. (2012.) Syria: From "Authoritarian Upgrading" to Revolution. *International Affairs* 88(1)/95-113.

¹¹⁵ Hatahet, S. (2019). The Political Economy of the Autonomous Administration of North and East Syria. European University Institute, Wartime and Post-Conflict in Syria (WPCS), Research Project Report November 29, 2019, 2019/16.

the energy-rich governorates of Hasakah and Deir-ez Zour¹¹⁶, for a total of 50,000 square kilometres and approximately 3.2 million inhabitants ¹¹⁷.

In theory, the AANES functions on a decentralized-federalist governance model that focuses on local cooperation and sets the agricultural and industrial society as the pillar of its alternative structure.¹¹⁸ What this means is that on paper local communities retain freedom of action when it comes to social, economic, and cultural policies. In fact, despite the YPG has traditionally adopted a *democratic nation* philosophy that promotes gender equality laws and secular values, given the majority of Sunni-Arab enclaves in North-Eastern Syria the decentralized form of governance has enabled local communities that wish to do so from refraining from implementing equality laws and secular education institutions.¹¹⁹

5.3.3 Access to State Resources

In practice the Kurdish constituency dominates the political faction of the AANES that oversees the centralized harmonization of the federal model and exercised control over key sector of the rebel's economy.¹²⁰ By retaining control of the three main economic committees – The Finance Commission, the Office for Oil and Natural Resources and the Office for Development and Planning - the political authority of the AANES has been able to forestall the integration of the parallel economic structure operating under the Syrian Regime and kept a traditional socialist inclination with small private enterprises operating under YPD

¹¹⁶ Yazigi, J. (2014). Syria's War Economy. European Council on Foreign Relations, Policy Brief.

¹¹⁷ Hatahet, S. (2019). The Political Economy of the Autonomous Administration of North and East Syria. European University Institute, Wartime and Post-Conflict in Syria (WPCS), Research Project Report November 29, 2019, 2019/16.

¹¹⁸ Yazigi, J. (2014). Syria's War Economy. European Council on Foreign Relations, Policy Brief.

¹¹⁹ Ibid.

¹²⁰ Hatahet, S. (2019). The Political Economy of the Autonomous Administration of North and East Syria. European University Institute, Wartime and Post-Conflict in Syria (WPCS), Research Project Report November 29, 2019, 2019/16.

acquiescence.¹²¹ The responsibilities of Kurdish-dominated Executive Council include recovery and restoration projects of essential infrastructures like roads and irrigation channels, coordination and management of public services, health, education and housing policies, unification of local economic policies on a federal level, custom duties, travel permits and labour laws.¹²² As a consequence, the AANES is the most significant employer in the region with approximately 200,000 civilians employed, 100,000 of whom are in the security forces.¹²³ However, the rejection of economic integration of the business and private sectors in their governance model entails that the AANES lacks substantial control of the financial realm of its economy that is still highly dependent on Syrian State banks for liquidity.¹²⁴

5.3.4 The SDF War Economy

In the aftermath of the state withdrawal, in the regions outside of government control, a new form of governance was created to administer every-day life. As mentioned before, prior to the AANES, the economic matters in North-Eastern Syria pivoted around the region's agricultural and oil wealth. Amidst intra-rebel fighting, much of the needs of the populations were supplanted by local administrative councils that were able to implement alternative regulatory systems that had enable them to trade with nearby Turkey, bypassing the Regime's voluntary economic isolation of the region.¹²⁵ Consequent to the unification of the local economic enclaves under the AANES in 2015, rebel-held territories where able to access regional and Western credit and humanitarian aid facilities that eased the AANES budgets and struggles

¹²¹ Hatahet, S. (2019). The Political Economy of the Autonomous Administration of North and East Syria. European University Institute, Wartime and Post-Conflict in Syria (WPCS), Research Project Report November 29, 2019, 2019/16.

¹²² Ibid.

¹²³ Ibid.

¹²⁴ Ibid.

¹²⁵ Ibid.

against IS. This has further enhanced the governance status of the AANES that has de facto gained an external dimension to its economic relations while consolidating its internal economic system.¹²⁶

With the consolidation of the new political authority, what had previously been a smuggling activity became a fluorescent trade business between rebels and Turkey. Retaining control of the energy-rich regions of al-Hassakah and Deir ez-Zor, the AANES has exclusive access to the oil reserves of the country, that despite the low capacity of the oil wells and reliance on primitive and often home-based refineries, has enabled the Autonomous Administration to generate considerable funds from oil-exports to Turkey.¹²⁷ Furthermore, given the access to the highly lucrative border post business, a common source of revenue for the AANES has been transit and border crossing fees for goods. When in 2014 the Regime closed the official borders with Turkey and imposed heavy sanction for cross-border smuggling, a new business opportunity opened for the opposition.¹²⁸ As a consequence, a substantial part of the Rebel's war economy is today financed by a highly regulated network of monopolies over foreign trade.¹²⁹ Imported goods vary from construction materials, clothes, food, aid supplies pharmaceutical, appliances and vehicles.¹³⁰

Another source of revenue are local taxes paid to the Administration in exchange for the public services provided to the population. Unlike import fees that vary depending on the provenience of the goods, taxes fees change considerably across the region where there is a widespread disproportion between taxes and provisioned services.¹³¹ Despite the lack of international

¹²⁶ Tokamajyan, A. (2016). The War Economy in Northern Syria. The Aleppo Project.

¹²⁷ Yazigi, J. (2014). Syria's War Economy. European Council on Foreign Relations, Policy Brief.

¹²⁸ Ibid.

¹²⁹¹²⁹ Hatahet, S. (2019). The Political Economy of the Autonomous Administration of North and East Syria. European University Institute, Wartime and Post-Conflict in Syria (WPCS), Research Project Report November 29, 2019, 2019/16.

¹³⁰ Ibid.

¹³¹ Hatahet, S. (2019). The Political Economy of the Autonomous Administration of North and East Syria. European University Institute, Wartime and Post-Conflict in Syria (WPCS), Research Project Report November 29, 2019, 2019/16.

endorsement by its de facto allies - Turkey and the US- since 2015 the AANES has accesses international humanitarian aid networks that have eased the economic constraints of the Administration which in exchange has been able to create thousands of job positions while, like in the case of the Regime, increasing the dependence of thousands of families upon humanitarian aid. In addition, informal and opaque means of finding have been used by partner states like Saudi Arabia and Qatar to channel financial and military aid to the Syrian rebels.¹³² Likewise, diaspora remittances have eased the financial strains of the AANES.¹³³

In relations to the second research hypothesis the decentralized nature of governance and the federal organization around pre-existing social arrangements that emerged in the absence of the state's infrastructures and services would suggests that the AANES represents an alternative system of governance with a relatively stable territorial dimension. However, much like the government, the Autonomous Authority comprising of rural and agricultural-based constituencies, opts for the reallocation of its resources and efforts to what it perceived as the most productive sectors while actively preventing the financial and business endeavours from flourishing. What this entails is that although the AANES does represents an alternative governance model because of its federalized nature and inclusion of constituencies excluded by the regime, within the AANES the relationship between the Selectorate and the Winning Coalition still maintains a hierarchical character.

Overall, I consider both the second and third hypothesis to be met, since by directly challenging the Syrian state, the AANES does represent a valid alternative for those constituencies that are not part of Bashar' Winning coalition. However, the active role that the AANES Selectorate holds in interdicting the institution of the private sector could lower the chances of defection of elites from the regime and strengthened the economic forces around Bashar al-Assad.

¹³² Yazigi, J. (2014). Syria's War Economy. European Council on Foreign Relations, Policy Brief.

¹³³ Hatahet, S. (2019). The Political Economy of the Autonomous Administration of North and East Syria. European University Institute, Wartime and Post-Conflict in Syria (WPCS), Research Project Report November 29, 2019, 2019/16.

Chapter III: Libya

6.1 Background to Conflict

In 2011 the Arab Uprising in Libya was met with a sudden escalation of violence.

Anti-government rallies had started in the coastal city of Benghazi in eastern Libya and had quickly spread throughout the country as 40 years-long regime leader Muammar Gadhafi condemned protests and vowed to stay in power. As protests reached Tripoli in mid-February an armed rebellion started to take shape as the enhanced violence led to mass defection within the legislative and military apparatus, allowing protesters to organize and acquire weapons.¹³⁴

The sudden escalation of violence by the Regime quickly mobilized the international community that on March 19, 2011 began a NATO-led intervention against the Regime that culminated into Gadhafi's death in October.¹³⁵

Since the 1969 Popular Revolution, Libya's political life had pivoted around Gadhafi's political ideology of "direct democracy". Keen on dismantling traditional institution of government Gadhafi's governance model, the Jamahiriya, relied on a political ideology in which citizens ought to be involved in the country's political life at a grass-root level.¹³⁶ In practice, a highly centralized system pivoting around Gadhafi hid behind the Jamahiriya whose institutional complexity granted Gadhafi and its close encircles despotic power over Libya's politics at every level.¹³⁷

¹³⁴ Britannica, T. Editors of Encyclopaedia (2021). Libya Revolt of 2011. Encyclopedia Britannica, February 8, 2021.

¹³⁵ Ibid.

¹³⁶ Obeidi, A. S. M. (2008). Political Elites in Libya since 1969. *Libya Since 1969*, 105–126.

¹³⁷ Fasanotti, Federica S. (2018). Building Democracy on Libyan Sands. ISPI, 29 May 2018.

When Gadhafi came to power in 1969, he inherited one of Africa's poorest nations, however, by the time the Arab Spring invested his regime Libya had the highest GDP per capita and featured as the continent's wealthiest nation.¹³⁸

Libya had been an oil-rentier state since 1959 when under King Idris of the Senussi Monarchy, the first oil wells were discovered.¹³⁹ However, despite foreign investment rapidly changed the economy and social life of the Kingdom, Libya's lack of essential infrastructure prevented the Monarchy from playing an effective role in the country's economic life. In fact, by creating independent institutions such as the Central Bank of Libya (CBL), the Libyan Currency Commission, and the National Petroleum Corporation (NPC) American, British, French, and Italian companies ensured their control over the Kingdom's new reserves in exchange for oil rents and subsidies.¹⁴⁰ The lack of administrative capacity was further enhanced by the Kingdom's system of favouritism and patronage network that had pivoted around tribal structures and had consolidated the Warfalla and the Magarha constituencies' socio-political influence.¹⁴¹

The situation changed when after the Popular Revolution Gadhafi was able to nationalize the oil industry. With the progressive institution of new bodies like the General Electric Company of Libya (GEOCOL), the Housing and Infrastructure Board (HIB) and their relative committees and boards, the State was able to retain control over the economic life of the country and boost development.¹⁴²

¹³⁸ Ben Dalla, Omar L., El-SSeid, Ali, M., El-Sseid, H. (2021). The Political State of Libya based on Pre- and Post-Muammar Al Gaddafi Era and New Historicism Literature Review (LR). *International Journal of Social Sciences and Management Research*.

¹³⁹ Winer, Jonathan M. (2019). *Origins of the Libyan Conflict and Options for its Resolution*. Middle East Institute.

¹⁴⁰ Pack, J. (2019). *Kingdom of Militias. Libya's Second War of Post-Qadhafi Succession*. ISPI.

¹⁴¹ Ben Dalla, Omar L., El-SSeid, Ali, M., El-Sseid, H. (2021). The Political State of Libya based on Pre- and Post-Muammar Al Gaddafi Era and New Historicism Literature Review (LR). *International Journal of Social Sciences and Management Research*.

¹⁴² Pack, J. (2019). *It's the Economy Stupid: How Libya's Civil War Is Rooted in Its Economic Structures*. Istituto Affari Internazionali, IAI Papers 19 (17): 2610-9603, August 2019, Rome.

The logic behind the Jamahiriya was that to dole out goods and services to elites while substantially preventing anyone from challenging Gadhafi's socio-political hegemony.

Domestically this rendered Libya's political institutions weak and impractical, and the economy oil-reliant and susceptible to international dynamics.¹⁴³

Internationally, Libya's socialist dogmas increasingly heightened tensions with Western powers that eventually carried out common policies of embargo and sanctions against the Regime. By the end of the Eighties the economic toll of socialism and of international sanctions forced the regime to call for *a revolution within the revolution* and to open its economy to private enterprises and foreign presence. However, as the new economic stance braced the Regime from a mounting popular discontent due to the widespread corruption and lesser economic opportunities, it soon became clear that significant segments of the patronage system sat uncomfortable with Gadhafi's choice of economic liberalization.¹⁴⁴

Like in the case of Syria, Gadhafi's attempts to liberalize economy did not sit well with the Regime's constituencies and led to detrimental relations with tribes which pushed to Gadhafi to tighten his hold on the army and security apparatus.¹⁴⁵

6.2 Gadhafi Regime

Hypothesis 1: Centralized systems of production and exclusive elites bargain models promoted by the state are more likely to negatively impact the state legitimacy.

¹⁴³ Winer, Jonathan M. (2019). *Origins of the Libyan Conflict and Options for its Resolution*. Middle East Institute.

¹⁴⁴ Ibid.

¹⁴⁵ Vieira, R. M. (2017). *The Tribes and Civil War in Libya. Tribes and Militias Post Arab Springs in the Process of Political Transition*. University of Brasilia. Institute of International Relations.

6.2.1 Access to State Structures

In 1969 the Sanussi Monarchy was overthrown by a Military coup led by revolutionary leader Colonel Muammar Al-Gadhafi and The Arab Republic of Libya proclaimed.¹⁴⁶ Morphed into its final form only in 1977 with the institution of the Jamahiriya, Gadhafi's Arab-socialist system sought to reconstruct Libya's political institutions by dissolving the tribal system that had characterized Libya for centuries.¹⁴⁷ However, as it soon became clear, the new leadership had little to no experience in governance and economic management.¹⁴⁸ The popular momentum enjoyed by the 1969 Revolution was not going to be enough to consolidate power which led the regime to rely on a consultative mechanism of Libya's tribal system. Although officially Gadhafi adopted a political agenda that sought to put an end on traditional structures, from 1977 the Regime had increasingly relied on a robust co-optive mechanism that ensured support for the regime for 40 years.¹⁴⁹

Tribal structures had been one of the most impeding aspects of the Kingdom's governance model and the 1969 revolution sought to replace tribal influence with an Arab-socialist ideology.¹⁵⁰ However, as tribal affiliations had traditionally facilitated the attainment of jobs and administrative positions under the monarchy, and over 90% of Libyans belonged to a tribe and relied on tribal connections for their livelihoods, in 1977 the regime came to the conclusion that securing tribes cooperation was pivotal for its survival.¹⁵¹

¹⁴⁶ Pack, J. (2019). It's the Economy Stupid: How Libya's Civil War Is Rooted in Its Economic Structures. *Istituto Affari Internazionali, IAI Papers 19 (17): 2610-9603*, August 2019, Rome.

¹⁴⁷ Vieira, R. M. (2017). The Tribes and Civil War in Libya. *Tribes and Militias Post Arab Springs in the Process of Political Transition*. University of Brasilia. Institute of International Relations.

¹⁴⁸ Ibid.

¹⁴⁹ Ibid.

¹⁵⁰ Apps, P. (2011). Analysis: Libya's Tribal Politics Key to Gaddafi's Fate. Reuters, February 22, 2011.

¹⁵¹ Vieira, R. M., (2017). The Tribes and Civil War in Libya. *Tribes and Militias Post Arab Springs in the Process of Political Transition*. University of Brasilia. Institute of International Relations.

Under the Monarchy, those tribes residing outside the Tripoli area enjoyed little attention from the central government and had been poorly exposed to the wave of modernization brought by the new oil-economy.¹⁵² As a consequence, the political and cultural inequalities of the other two regions – Faezzan and Cyrenaica - were replicated by the Gadhafi regime and many Libyans once again found themselves reliant on tribal connections to access services and institutions, exercise their rights and find employment. Following the Revolution, the Qadhadhafah tribe – Gadhafi's native tribe – was able to secure the monopoly over the security apparatus placing itself at the very core of the new Regime.¹⁵³ While families that had historically been influential like the Warfallis and Megrahees were privileged with government and military power, those involved in infrastructure and successful merchant constituencies were granted preferential access to services and granted economic benefits.¹⁵⁴ The *have-nots* consisted of all those constituencies located further away from Libya's economic center, Tripoli, including those from coastal cities of Misrata, Benghazi and Tobruk, Islamists resentful of the secularist governance, and those constituencies like the Zuwayyah tribe closest to oil-facilities.¹⁵⁵ In fact, despite their proximity to where oil-resources were located, the most marginalized tribes had been the ones located in Cyrenaica despite their contribution and affluence.¹⁵⁶ Although powerful constituencies from urban centers like Misrata, Benghazi and Tobruk sat well represented in mid-level military and bureaucratic posts, their relative gains vis-à-vis the Tripoli-based elites had entailed moderate affiliation with the regime.¹⁵⁷ Similarly, to Hafez Al-Assad in Syria, Gadhafi had actively prevented the emergence of strong state

¹⁵² Winer, Jonathan M. (2019). *Origins of the Libyan Conflict and Options for its Resolution*. Middle East Institute.

¹⁵³ Ibid.

¹⁵⁴ Wolfram Lacher (2016). *Libya's Local Elites and the Politics of Alliance Building*, *Mediterranean Politics*, 21/1, 64-85.

¹⁵⁵ Winer, Jonathan M. (2019). *Origins of the Libyan Conflict and Options for its Resolution*. Middle East Institute.

¹⁵⁶ Ibid.

¹⁵⁷ Ibid.

institutions and independent elites by centralizing power and making Tripoli the economic center of Libya.

At the same time political opposition and forms of political affiliation outside the channels allowed by the Jamahiriya were criminalized by the 1977 “Code of Honour” and met by the regime with severe repression.¹⁵⁸

Although tribal co-option had been a dominant mechanism in the Regime’s politics between 1977 and 2006 the social composition of the *political elite* was relatively wide and had changed substantially throughout the years. In fact, a key feature of the Jamahiriya had been the constant reshuffling of committees and ministries according to the Regime’s needs.¹⁵⁹ Gadhafi had understood the risks related to the emergence of independent state elites and had relied on a co-optative logic that exploited existing rivalries and fostered division.¹⁶⁰ This “temporary elites”¹⁶¹ phenomenon relied on a *dividi et impera* logic of interaction with constituencies and prevented any one from within from consolidating enough power to challenge Gadhafi’s role. Between 1969 and 2006 there was no real change of top leadership within the Libyan regime and- although he had stepped down from any official role since 1979 - Gadhafi stood at the center of the patronage system, overseeing the appointing of key figures in the political, military, and administrative apparatus.¹⁶² What this suggests is that the Gadhafi regime promoted a highly exclusive bargain model where while the Selectorate remained compact, the Winning Coalition constantly shifted, enhancing competition between constituencies but preventing anyone-group from gaining sufficient power to topple the Selectorate. Since 1977 the political

¹⁵⁸ Ben Dalla, Omar L., El-SSeid, Ali, M., El-Sseid, H. (2021). The Political State of Libya based on Pre- and Post-Muammar Al Gaddafi Era and New Historicism Literature Review (LR). International Journal of Social Sciences and Management Research.

¹⁵⁹ St John, Ronald, B. (2008). The Changing Libya Economy/ Causes and Consequences. Middle East Journal, Winter, 2008, Vol. 62, No. 1 (Winter, 2008), pp. 75-91.

¹⁶⁰ Ben Dalla, Omar L., El-SSeid, Ali, M., El-Sseid, H. (2021). The Political State of Libya based on Pre- and Post-Muammar Al Gaddafi Era and New Historicism Literature Review (LR). International Journal of Social Sciences and Management Research.

¹⁶¹ Obeidi, A. S. M. (2008). Political Elites in Libya since 1969. Libya Since 1969, 105–126, Pp.1.

¹⁶² Ibid.

ideology of the Regime had emphasized that the power lied in the hands of the people that acted through the Popular Congress and the various People's Committees. At the national level the Popular Congress represented the executive authority – a body corresponding to the national cabinet - while at the heart of the administrative power stood the General Popular Committee composed by technocrats and experts. Whereas locally, the Libyan state was divided into small communities with their own Local Committees in charge of a range of decision spanning from legislative matters to the allocation of funds.¹⁶³ The formal structure of the Jamahiriya did not represent the real distribution of power and remained a rubber stamp for Libya's revolutionary leadership.¹⁶⁴ The composition and institutional form of Libya's political bodies varied substantially, had little effective power and served the role of projecting the regime's official ideology to enhance its legitimacy. As political affiliation was banned in 1972, Libya's political institutions were weak and *rule by the people* was limited to the local level where communities could easily find common solutions.¹⁶⁵

Unlike in Yemen, where the patronage system pivoted around the party institution of the GPC, the Gadhafi regime featured highly a technocratic body of economic institutions accountable to the General People's Congress. De iure, these institutions were created to dole out goods and services to the population, were ran by experts appointed by the GPC and had complex institutional constituencies.¹⁶⁶ De facto, they featured composite institutional structures that with myriads of directive boards and committees that meant to obscure and hide the highly centralized system hiding behind the Jamahiriya.¹⁶⁷ In other words, while on paper these institutions were separated from the political life of the country, their status provided Gadhafi

¹⁶³ Ben Dalla, Omar L., El-SSeid, Ali, M., El-Sseid, H. (2021). The Political State of Libya based on Pre and Post-Muammar Al Gaddafi Era and New Historicism Literature Review (LR). International Journal of Social Sciences and Management Research.

¹⁶⁴ Obeidi, A. S. M. (2008). Political Elites in Libya since 1969. *Libya Since 1969*, 105–126.

¹⁶⁵ Winer, Jonathan M. (2019) *Origins of the Libyan Conflict and Options for its Resolution*. Middle East Institute.

¹⁶⁶ Pack, J. (2019). It's the Economy Stupid: How Libya's Civil War Is Rooted in Its Economic Structures. *Istituto Affari Internazionali, IAI Papers 19 (17): 2610-9603*, August 2019, Rome.

¹⁶⁷ Ibid.

with partisan institutions through which he could appoint loyalist and elites as heads while keeping these constituencies out of politics.¹⁶⁸

*“The implicit social contract under Gaddafi [had] been that in return for citizens’ political acquiescence, the Libyan state would take care of their most basic daily economic needs.”*¹⁶⁹

When the Arab Spring overthrew the Regime in 2011 the immediate effects of Gadhafi’s dictatorial control over Libya manifested in the people’s distrust in the political system. In fact, as the Regime had actively worked to discourage any sense of national identity thus paralyzing Libyan political institutions for four decades, the collapse of the state institutions in 2011 meant that post-revolutionary Libya was a *stateless state* open for contention.¹⁷⁰

6.2.2 Access to State Resources

Between 1977 and 1986 the rationale of the Jamahiriya had been intrinsically socialist and had embraced a doctrinal campaign of redistribution of wealth by investing in housing, healthcare and education.¹⁷¹ In the early years the economic policies had emphasized social welfare significantly increasing the living standards of Libyans. The massive oil wealth residing under Libyan soil had enabled the regime to fund those institutions created with the sole purpose to

¹⁶⁸ Winer, Jonathan M. (2019). *Origins of the Libyan Conflict and Options for its Resolution*. Middle East Institute.

¹⁶⁹ Ben Dalla, Omar L., El-SSeid, Ali, M., El-Sseid, H. (2021). *The Political State of Libya based on Pre- and Post-Muammar Al Gaddafi Era and New Historicism Literature Review (LR)*. *International Journal of Social Sciences and Management Research*. Pg. 15.

¹⁷⁰ Ben Dalla, Omar L., El-SSeid, Ali, M., El-Sseid, H. (2021). *The Political State of Libya based on Pre- and Post-Muammar Al Gaddafi Era and New Historicism Literature Review (LR)*. *International Journal of Social Sciences and Management Research*.

¹⁷¹ St John, Ronald, B. (2008). *The Changing Libya Economy: Causes and Consequences*. *Middle East Journal*, Winter, 2008, Vol. 62, No. 1 (Winter, 2008), pp. 75-91.

dole out basic goods and services to the population while enriching those constituencies closest to the Regime.¹⁷² By the time Gadhafi had stabilized its power in the second half of the Seventies the Libyan socialist approach had taken shape and adopted economic policies aimed at tightening restriction on private enterprises, redistribute land, capital and wealth, and centralize the economy. Between 1979 and 1981 the regime announced a mass-scale land redistribution policy in the Al-Jafara plain near Tripoli (1979), adopted a demonetization campaign that sought to redistribute wealth (1980), and in 1981 the government took over all import/export activities. 173

Corollary to the socialist ideology was the state's monopoly over the economy, the abolition of private enterprises and interdiction of foreign investment which not only heightened relations with western powers but also limited economic diversification of internal markets. Despite the initial popular support by the mid-Eighties the economic impact of the Regime's policies reached a halt due to the limited absorptive capacity of the economy and where aggravated by international isolation.¹⁷⁴ Economically, the state-ran economy faltered under the weight of a heavily corrupted and often disorganised patronage system that exacerbated local and regional cleavages. Politically, Libya's socialist narrative had entailed diplomatic setbacks with the West followed by sanctions and oil-embargos, while regional military campaigns had created tensions with neighbouring Arab states.¹⁷⁵

The mounting social unrest led Gadhafi to opt for a moderate approach to socialism and call for a *Revolution within the Revolution* in 1987 to promote foreign investment and ease the

¹⁷² El Kamouni-Jassen, F., Shadeedi, H., Ezzeddine, N. (2018). Local Security Governance in Libya. Perceptions of Security and Protection in a fragmented Country. CRU-Report, Clingendael, Netherlands Institute of International Relations.

¹⁷³ St John, Ronald, B. (2008). The Changing Libya Economy: Causes and Consequences. Middle East Journal, Winter, 2008, Vol. 62, No. 1 (Winter, 2008), pp. 75-91.

¹⁷⁴ Ibid.

¹⁷⁵ Vieira, R. M., (2017). The Tribes and Civil War in Libya. Tribes and Militias Post Arab Springs in the Process of Political Transition. University of Brasilia. Institute of International Relations.

sanctions against the Regime.¹⁷⁶ However, the decision did not sit well with those few that had benefitted from the previous arrangements and although minimal in their effect, the corrective policies adopted brought Gadhafi on a coalitionary route with tribal groups.

Since 1959 Libya's economic life had been dominated by the hydrocarbon sector. The oil and gas industry had contributed to 70% of GDP and over 90% of export for an average of 3 million barrels per day making Libya the 4th largest oil-producing country in the world.¹⁷⁷ During the Seventies the regime had enacted policies of controlled production and price escalation to maximise revenue which enjoyed popular support and increased the Regime's co-optive capabilities.¹⁷⁸ However as early as the mid-Eighties the lack of economic diversification together with impeding international sanctions and the mounting corruption of the public sector forced the regime towards efforts of economic liberalization. Met with general support by the Libyan people, the new economic reforms were met with criticism by the revolutionary leadership that increasingly grew critical of Gadhafi's role in the country's political and economic affairs.¹⁷⁹

At the turn of the century, seizing the appeased international situation, the regime capitalized on new investment opportunities. The government aggressively marketed sectors like tourism and trade, passed a Free Trade Act to promote foreign investment and technology transfer and in November 2000 announced a \$35 billion five-year development plan to further liberalize the economy.¹⁸⁰ Despite the efforts of the Gadhafi government by 2003 the hydrocarbon sector remained highly state-controlled and contributed to 97% of the country's exports while private investment was as low as 2%.¹⁸¹ While internationally the improved economic relations

¹⁷⁶ St John, Ronald, B. (2008). The Changing Libya Economy/ Causes and Consequences. Middle East Journal, Winter, 2008, Vol. 62, No. 1 (Winter, 2008), pp. 75-91.

¹⁷⁷ Ibid.

¹⁷⁸ Ibid.

¹⁷⁹ Winer, Jonathan M. (2019). Origins of the Libyan Conflict and Options for its Resolution. Middle East Institute.

¹⁸⁰ Ibid.

¹⁸¹ St John, Ronald, B. (2008). The Changing Libya Economy/ Causes and Consequences. Middle East Journal, Winter, 2008, Vol. 62, No. 1 (Winter, 2008), pp. 75-91.

resumed Western economic activities in Libya the opaque nature of the policymaking milieu and the widespread public corruption of Libya's public administration enabled those critical with Libya's new economic stratification to halt the corrective measures until the failure of the public sector in June 2003.¹⁸² Like Bashar's economic reforms had destabilized the traditional base of the Ba'athist regime, in the mid-2000s Ghaddafi's son, Islam Al-Gadhafi represented a threat for those that had enjoyed substantial benefits from the welfare function of the state. For many an open market economy was perceived as a direct menace to their livelihood and entailed a potential loss of privileges. This led to an increasingly explicit crackdown of internal opposition aimed at strengthening the role of the Gadhafa tribe into the legislative apparatus of the country.¹⁸³

By 2011 it was clear that Libya's socialist vision had faded, that effective power had laid in Ghadhafi's hands all along and that the Regime had survived only because shielded with repressive institution and co-optive capabilities. Like in the case of Syria, the resentment that sparked the Arab Revolution in Libya originated in the peripheries of the Jamahiriya and quickly spread throughout the country.

When in 2012 the GNC claimed to govern in the name of the nation the lack of a unitary vision for the future of the state proved detrimental for the transitional government. Political, social, and economic aspects divided the country over the future of the Libyan state. And, in absence of any sense of national unity and lacking an official authority the transition process was unable to address the structural dilemmas of the Libyan political system paving the way for anti-loyalists to replace former regime's elites at the head of boards and committees.¹⁸⁴ The same

¹⁸²St John, Ronald, B. (2008). The Changing Libya Economy/ Causes and Consequences. Middle East Journal, Winter, 2008, Vol. 62, No. 1 (Winter, 2008), pp. 75-91.

¹⁸³ Obeidi, A. S. M. (2008). Political Elites in Libya since 1969. Libya Since 1969, 105–126.

¹⁸⁴ Pack, J. (2019). It's the Economy Stupid: How Libya's Civil War Is Rooted in Its Economic Structures. Istituto Affari Internazionali, IAI Papers 19 (17): 2610-9603, August 2019, Rome.

institutions that had fuelled the bureaucratic machine of the Jamahiriya where now being used by those that had united against the regime in 2011.¹⁸⁵

6.2.3 Tripoli- based GNA War Economy

In the wake of the second Libyan civil war, the violence of the first uprising had taken a toll on the Libyan economy. Because of the high dependency of the country's economy on the energy sector, virtually all economic activities were impacted by the 2011 uprising, and as the war raged the country's infrastructure, the production of oil witnessed a dramatic decline.¹⁸⁶ When the Transitional National Council (TNC) took over at the end of 2011, the economy quickly recovered due to the increased energy production rather than by any specific economic measures. Replaced in July 2012 by the General National Congress (GNC), the general sense of insecurity and lack of trust in political institutions affected the authority of the new government that have been mainly preoccupied with the country's security developments.¹⁸⁷ By 2016 with the proliferation of militias around the country and Haftar forces occupying around 70% of the country, the government has been starved of its main source of revenue and has been unable to address the systemic issues of the Libyan central institutions, Libya's economic policies (and Institutions) have not changed significantly.¹⁸⁸ Since then, the unsuccessful attack of Field Marshall Khalifa Haftar on Tripoli, the Tripoli-based GNA and the Tobruk-based government have been involved in a costly war. It's important to mention

¹⁸⁵ Pack, J. (2019). It's the Economy Stupid: How Libya's Civil War Is Rooted in Its Economic Structures. Istituto Affari Internazionali, IAI Papers 19 (17): 2610-9603, August 2019, Rome.

¹⁸⁶ Khan, M., Mezran, K. (2013). The Libyan Economy after the Revolution: Still No Clear Vision. Atlantic Council, Rafik Harir Center for The Middle East. Issue Brief.

¹⁸⁷ Ibid.

¹⁸⁸ Eaton, T. (2018). Libya's War Economy. Predation, Profiteering and State Weakness. The Royal Institute of International Affairs, Middle east and North Africa Programme, Research Paper.

that since the 1969 Constitutional declaration, the Libyan government virtually owns the country's economic infrastructure.¹⁸⁹ Strengthened by a 2017 UN Security Council Resolution (Resolution 2362) that subjects export and purchase of Libyan oil issued from third parties other than from institutions under the authority of the GNA to sanctions, the Libyan government through its economic institutions retains exclusive rights on import exports and pricing of Libyan goods.¹⁹⁰ However, given Haftar's LNA dominant position in eastern and southern Libya where the Majority of NOC installations are, the Tripoli government has been unable to deliver goods and services to the citizenry and has been relying on a coalition of militias, the Misrata Militias strong of 30,000 men ¹⁹¹, for its survival. The proliferation of armed groups competing for primacy over the illicit market has resulted in the establishment of a highly integrated and organized informal economy fuelled by the state weakness.¹⁹² Since the beginning of the second Libyan civil war, the most lucrative activities for the Tripoli-aligned forces have been oil and scrap metal exports, oil and human smuggling, and protection rackets that have become a critical element of Eastern Libya economic life.¹⁹³ Despite the centrality of Libya's economic institutions, the absence of the state has opened new revenue opportunities for local actors giving life to a vibrant protection market.¹⁹⁴ A major source of revenue has been the establishment of alternative modalities of rents like transport fees, import-export nodes and extortion. Much like the Gadhafi regime that relied on an extensive patronage system to reassert the Regime's legitimacy, the inability of the GNA to address the country's needs has entailed the survival of a rent-seeking mentality where local

¹⁸⁹ Noria Research (2019). Predatory Economies in Eastern Libya. The Dominant role of the Libyan National Army. Global Initiative Against Transnational Organized Crime.

¹⁹⁰ Ibid.

¹⁹¹ Robinson, K. (2020). Who's Who in Libya's War? Council on Foreign Relations, June 18, 2020.

¹⁹² Eaton, T. (2018). Libya's War Economy. Predation, Profiteering and State Weakness. The Royal Institute of International Affairs, Middle east and North Africa Programme, Research Paper.

¹⁹³ Noria Research (2019.) Predatory Economies in Eastern Libya. The Dominant role of the Libyan National Army. Global Initiative Against Transnational Organized Crime.

¹⁹⁴ Eaton, T. (2018). Libya's War Economy. Predation, Profiteering and State Weakness. The Royal Institute of International Affairs, Middle east and North Africa Programme, Research Paper.

groups supplant the state lack of presence.¹⁹⁵ Although the nature of the relationship between the GNA, the militias, and the smugglers varies substantially across government-controlled areas since the beginning of the conflict an increasingly coordinated transnational economic network has emerged. Three modalities of fuel smuggling have been registered: cross-border overland smuggling, maritime smuggling, and diversion of NOC infrastructure.¹⁹⁶ The first category consists of a small-scale scheme acting primarily through the Tunisian border, whereas the second typology consists of the direct sale of goods and commodities on the domestic black market. Reports suggest that around 30% of oil subsidies are smuggles or sold on the illicit market for a significant markup, and place government losses around \$1.8 billion per year.¹⁹⁷ This type of smuggling, together with the direct predation of NOC oil supplies represents a larger-predation scheme enabled by complicit state officials. From diversion of NOC convoys to the sale of subsidies fuel in “ghost petrol stations”¹⁹⁸ the domestic sale of subsidies has been the most common smuggling activity registered in Libya. Since 2016 maritime smuggling has been on the rise. This has prompted the Tripoli government and the International Community to concert efforts against fuel smugglers with actions like the UN Security Council Resolution 2362, and the launch of *Operation Mediterranean Storm* to clamp down the diversion of NOC fuel deliveries.¹⁹⁹ Smuggling activities have also been registered in the form of human, weapons, and drug trafficking. With most of the crossing concentrating in Tripoli-Zawara coastal line (for an extension of roughly 300 km). At the peak of the migration crisis estimated revenues of human smuggling linked to state-affiliated military groups have amounted to \$978 millions in 2016 alone.²⁰⁰ Although the loss of control of oil-

¹⁹⁵ Kamouni-Janssen, F., & Abdo, I. (2015). (Rep.). Clingendael Institute.

¹⁹⁶ Eaton, T. (2018). Libya’s War Economy. Predation, Profiteering and State Weakness. The Royal Institute of International Affairs, Middle east and North Africa Programme, Research Paper.

¹⁹⁷ Ibid.

¹⁹⁸ Ibid, pp.15.

¹⁹⁹ Ibid.

²⁰⁰ Eaton, T. (2018) Libya’s War Economy. Predation, Profiteering and State Weakness. The Royal Institute of International Affairs, Middle east and North Africa Programme, Research Paper.

rich regions has weakened the GNA's fiscal position and strained its warring efforts, the Tripoli government enjoys a broad international recognition and is backed by powerful regional and international Powers. The fact that the GNA enjoys international recognition makes it easier for Libya's economic institutions to access foreign currency, attract foreign investment and by extension access military equipment.²⁰¹ Support from Western partners has manifested primarily in the allocation of humanitarian aid to Libya. Since 2011 the EU has allocated €75.3 million to Libya²⁰², while the US alone has provided more than \$840²⁰³ million which have eased the GNA fiscal pressure and enabled the government to provide minimal services to Libyans. Neighbouring countries like Italy and Qatar have also provided the GNA with weapons, drones, and air defence systems whereas Turkey has been increasingly involved on the ground.²⁰⁴ Since late 2019 Ankara has been the most vocal supporter of Tripoli's efforts against Haftar and has ratified military and maritime cooperation deals that have significantly boosted the GNA fiscal and military capacities.²⁰⁵

7.1 Tobruk-based government

Hypothesis 2: Rebel orders that promote inclusive bargain models and challenge the state to alter the relation between state and society are more likely to be legitimized by local elites as alternative systems to the one of the states.

²⁰¹ Noria Research (2019). Predatory Economies in Eastern Libya. The Dominant role of the Libyan National Army. Global Initiative Against Transnational Organized Crime.

²⁰² European Civil Protection and Humanitarian Aid Operations (2021). Libya Factsheet and Figures. European Commission.

²⁰³ U.S. Agency for International Development (2020) Libya: Humanitarian Assistance.

²⁰⁴ Allahoum, R. (2020). Libya's war: Who is Supporting Whom. Aljazeera, January 9, 2020.

²⁰⁵ Africanews (2020). Who supports who in Libya's complex battlefield: Egypt, Russia, Turkey, Arab League. January 14, 2020.

Hypothesis 3: Rebel orders that are capable of monopolizing violence over a given territory and can implement governance models are more likely to be legitimized by elites as alternative systems to the one of the states.

7.2 The HoR and the Libyan National Army

In June 2014 Libyan general elections were held and the newly elected House of Representatives (HoR) was expected to replace the transition government of the GNC as Libya's new legislative body. However, the ties with former senior Jamahiriya officers and the strong anti-Islamic sentiment among members of the HoR have forced the new authority into exile in Tobruk.²⁰⁶ Later that year the HoR appointed Field Marshall Khalifa Belqasim Haftar as the head of the Libyan National Army (LNA) a military formation that previously reacted to the GNC's politically driven Lustration Law (PIL) by launching Operation Dignity against the Misrata coalition.²⁰⁷ The point of break between the two political bodies has been the political and economic incompatibilities between the forces behind Haftar's LNA and those supporting the GNC. On one side the LNA forces comprise of a majority military constituency that had deserted the regime in 2011 in light of Gadhafi's repressive response to protests; Eastern and Southern constituencies that had been neglected by the Regime and those that had been stripped by the PIL from serving in the public office. On the other side, the military force associated with the GNA comprise of militias that have been on the government's payroll since 2011 given their role in the fall of the regime, and more tolerant Islamist elements close to the Muslim Brotherhood.²⁰⁸

²⁰⁶ Missaglia, N. (2017). Chaos in Libya: A Background. ISPI Online.

²⁰⁷ Tawil, J. (2014). Operation Dignity: General Haftar's Latest Battle May Decide Libya's Future, Jamestown Foundation, 30 May 2014, Terrorism Monitor Volume: 12 Issue: 11.

²⁰⁸ Fitzgerald, M., Toaldo, M. (2016). A Quick Guide to Libya's Main Players. European Council on Foreign Relations.

In an attempt to boost the legitimacy of Tripoli's political institutions in 2015 the GNC was replaced by the GNA as Libya's executive body. However, despite international endorsement the GNA is not recognized by its legislative authority, the HoR constitutionally in charge of its legitimation.²⁰⁹

7.2.1 Access to State Structures

Since 2014 the LNA has capitalized on social and structural factors to gain support from Eastern constituencies and has embarked in a metanarrative lodging for order, dignity and seeking to defend the will of the Libyan people against the non-elected GNA government.²¹⁰ Major territorial gains in Eastern and Southern Libya between 2016 and 2019 have enhanced the *protective capacity* of the LNA vis-à-vis the security institutions of the GNA.²¹¹ However, the LNA extended control over the oil crescent has not translated into increased revenues as Libya's oil wealth is channelled through Tripoli, where the headquarters of the country's economic institutions are, which explains the LNA longing efforts to seize the capital. Furthermore, unlike in the case of Syria where Northern constituencies have collectively united under the Administrative Authority of the AANES, in post-revolutionary Libya the main governance providers are not national players like the GNA or the LNA-dominated HoR, rather local institutions ran by local actors that whether on Tripoli or Tobruk's payroll oversee local protection assets, infrastructure, and general governance.²¹² In fact, despite the nation-wide

²⁰⁹ Eaton, T. (2018). Libya's War Economy. Predation, Profiteering and State Weakness. The Royal Institute of International Affairs, Middle east and North Africa Programme, Research Paper.

²¹⁰ Pack, J. (2019). Kingdom of Militias. Libya's Second War of Post-Qadhafi Succession. ISPI.

²¹¹ Ibid.

²¹² El Kamouni-Jassen, F., Shadeedi, H., Ezzeddine, N. (2018). Local Security Governance in Libya. Perceptions of Security and Protection in a fragmented Country. CRU-Report, Clingendael, Netherlands Institute of International Relations.

antagonism between GNA and the LNA-Hor axis an array of local actors operates simultaneously with varying relationship with both national actors and each other.²¹³ From anti-Islamic factions, to Salafis, to constituencies asking for more decentralization, to pure pragmatism the LNA suffers from internal division and therefore the quality of its governance model varies across the LNA—controlled areas. The plurality of the security sector and the highly de-centralized governance model of the LNA seems to suggest that although more *inclusive* than its rival GNA the LNA-HoR governance model differs from the one adopted by Tripoli, nevertheless, resembles the one of the Regime.²¹⁴ In fact, although Tripoli is heavily reliant on militias for its security – and as a consequence must partially accommodate these constituencies in terms of economic and political reforms – Haftar’s strategic aim has been that of ousting Tripoli’s political institutions to unite the country under a military government where a council of notables from Libya’s major tribes would serve as parliament. Since 2014, the LNA-HoR alliance has been a marriage of convenience between a military organization that lacks substantial funding and a weak and shadow political institutions with little governance capabilities.

7.2.2 Access to State Resources

The (partial) lack of official vestiture of the HoR has limited its access to state funds and limited the governance capacity of the legislative body. In fact, despite the LNA control over Libya’s oil fields, the HoR-LNA official funding come directly from NOC oil sales collected by the Libyan Central Bank in charge of all budgetary allocations of Libya’s public institutions. However, since the beginning of the conflict, Libya's economic institutions – the NOC, the

²¹³ Ibid.

²¹⁴ Ibid.

CBL and the LIA- have been at the center of the strife where the GNA is trying to prevent the HoR from accessing state resources while the LNA is adopting an edging strategy to pressure Tripoli.²¹⁵

Despite the national division Libya's economic institutions have remained neutral and impartial to the strife and have allocated funds to both bodies. Nevertheless, given their headquarters in Tripoli, money has been a pressing concern for the Tobruk government as the GNA has been trying to prevent the HoR from accessing further funds.²¹⁶ International sanctions on exports originating from LNA-controlled ports, a maritime-control system, and the limited access to letters of credit of easter-based banks have been the major tools used by the GNA to edge the Tobruk-government into bankruptcy, which has led the LNA to resort to parallel means of economic sustenance.²¹⁷ Moreover, although the decentralized nature of its governance model the redistribution system of the Tobruk government is highly centralized as still reliant on Tripoli, hence Haftar's rush to occupy the capital. ²¹⁸

The implications for the research hypothesis are that although the Tobruk government enjoys substantial legitimacy Tobruk's political economy pivots around Tripoli's economic institutions and resembles Gadhafi's elite bargains.

7.2.3 Tobruk War Economy

Since 2016, the absence of a sustainable stream of revenue, has led the LNA to develop independent pipelines to fund its warring efforts against Tripoli.²¹⁹ Parallel institutions like the

²¹⁵ Eaton, T. (2018). Libya's War Economy. Predation, Profiteering and State Weakness. The Royal Institute of International Affairs, Middle east and North Africa Programme, Research Paper.

²¹⁶ Pack, J. (2019). Kingdom of Militias. Libya's Second War of Post-Qadhafi Succession. ISPI.

²¹⁷ Eaton, T. (2018). Libya's War Economy. Predation, Profiteering and State Weakness. The Royal Institute of International Affairs, Middle east and North Africa Programme, Research Paper.

²¹⁸ Ibid.

²¹⁹ Eaton, T. (2018) Libya's War Economy. Predation, Profiteering and State Weakness. The Royal Institute of International Affairs, Middle east and North Africa Programme, Research Paper.

Authority for Investment and Public Works, the General Mobilization Authority, the Benghazi Central Bank and the Libyan Post, Telecommunications, and Information Technology Company (LPTC) to countervail the absenteeism of the Libyan economic institutions in Eastern Libya.²²⁰ The severe fiscal and liquidity crisis and the attempts of the GNA to interdict the allocation of state revenues to the HoR has led in 2014 the Tobruk government to resort to an independent banking system in the attempt to raise capital and pay for the public sector expenses. Known as the Benghazi Central Bank (BCB), the former eastern branch of the CBL is not recognized by the latter and has been excluded from its accounting system since early 2014.²²¹ Since then, the BCB has resorted to the use of fraudulent letters of credit issued by eastern-based commercial banks that connected to the CBL banking system enable the BCB to access foreign currency. The practice of fraudulent letters benefits both the BCB that access foreign currency at the official rate, and the fraudster that can later sell the goods or exchange the foreign currency on the black market for a profit.²²² The reaction of the Libyan authorities has been an increasing restrictive access to letters of credits to commercial banks in LNA-controlled territories which have led the Tobruk authorities to issue its own currency with the help of Russia who has allegedly contributed 4 billion of counterfeit dinars.²²³ Despite neither the CBL nor Western powers have recognized the new dinar, the currency has been widely used in Eastern Libya allowing the government to pay for vital public sector expenditures.²²⁴ Another source of revenue has been the import and export sector dominated by the LNA. As a consequence, since 2016 the GNA has enforced a ban on import and export activities by third parties as envisioned by the 1969 Constitutional Declaration. In fact, according to Libya's

²²⁰ Noria Research (2019). Predatory Economies in Eastern Libya. The Dominant role of the Libyan National Army. Global Initiative Against Transnational Organized Crime.

²²¹ Eaton, T. (2018) Libya's War Economy. Predation, Profiteering and State Weakness. The Royal Institute of International Affairs, Middle east and North Africa Programme, Research Paper.

²²² Ibid.

²²³ Ibid.

²²⁴ Pack, J. (2019). Kingdom of Militias. Libya's Second War of Post-Qadhafi Succession. ISPI.

constitutional law the Libyan government through its institutions is the sole actor that can sell Libyan oil.²²⁵ In 2018, in the attempt to bypass international sanction, the HoR has issued the establishment of the General Mobilization Authority as the authority in charge of monitoring import and export activities in the region and charged the Brega Oil Market Company with exclusive oil export mandate.

Internationally, the HoR-LNA fiscal and military pressures have been ease by an international donor system that seems the UAE, Egypt, France and Russia as main stakeholders in Haftar's military campaign against Tripoli. Strong of approximately 25,000 men, Haftar's military formation comprises of former soldiers, special forces, and police officers that since 2014 have increasingly exorted control over Libya with weapons, print cash, mercenaries and military supplies granted by its allies in violation with the 2011 UN-mandated arms embargo.

In terms of Hypothesis testing this suggests that the HoR has been challenging the GNA (legal) monopoly over the country's main economic activities by creating semi-legal economic structures and allowing actors different from the state to take part in the country's economic life. Although in practice the LNA emerges as the main economic and military player in Eastern Libya, the institutionalization of parallel economic bodies in charge of overseeing the region's economic activities challenge the centralized modalities of the GNA. In these terms I consider the second hypothesis corroborated. Furthermore, in parallel to these semi-official channels, the extent of LNA-controlled territories and the strained economic resources have led the LNA to employ a sponsorship strategy for militias and local constituencies.²²⁶ This exchange between political authority and local elites is in line with Rubin's model where legitimacy is granted by constituencies to the authority able to protect the community's interests and give security assurances.²²⁷ What this seems to suggest that despite the negative consequences on

²²⁵ Intelyse (2019).. The Financial Side of the Libya Conflict and its Security Implications.

²²⁶ Paek, J. (2019). Kingdom of Militias. Libya's Second War of Post-Qadhafi Succession. ISPI.

²²⁷ Rubin, Michael A. (2018). Rebel Territorial Control, and Political Accountability in Civil War. Evidence from the Communist Insurgency in the Philippines, Columbia University.

governance - fragmentation-, the LNA has in fact been able to monopolize violence over the territories it claims to control by adopting a similar strategy to the one of Gadhafi. In fact, similarly to the Regime, at a local level the political economy of the LNA pivots around a protection market where local constituencies and militias in exchange for exclusive mandates over a territory and over smuggling routes strengthen the LNA patronage system in the country's outback regions.²²⁸

²²⁸ Noria Research (2019). Predatory Economies in Eastern Libya. The Dominant role of the Libyan National Army. Global Initiative Against Transnational Organized Crime.

Chapter IV: Yemen

8.1 Background to the conflict

When in 2011 the Arab Spring spread across the Arab world, Yemen became one of the first countries to be invested with the pro-democracy peaceful protests. Long before the protests flooded the streets of the Yemeni capital, Sana'a, the 32-year-old Regime of President Ali Abdullah Saleh was struggling with a crippling economy, decreasing oil resources, and widespread governance challenges.²²⁹ The initial response of the regime was to pacify discontent with the implementation of economic concessions that encompassed measures such as cuts to income taxes, increased subsidies and social assistance programs rural families and constituencies, to substantial raises in public salaries.²³⁰ Nevertheless, the unsustainable economic reforms and the mistrust of the major opposition coalition, the Islah, pushed the regime to attempt to quell the discontent with limited political concessions, which unsatisfactory led to violent crackdown attempts by the regime.²³¹

The government heavy-handed response irreversibly crippled the political coalition of the General People Congress (GPC), Saleh's quasi-party institution, when even former loyalist government members and tribal leaders defected the GPC membership to join the anti-government uprising.²³² As security forces concentrated in the capital local groups in both the northern and southern regions took over government posts and exploited the lack of the security

²²⁹ Boucek, C., Revkin, M. (2011). *The Unravelling of the Salih Regime in Yemen*. Carnegie Endowment for International Peace.

²³⁰ Juneau, T. (2013). *Yemen and the Arab Spring: Elite Struggles, State Collapse and Regional Security*. Foreign Policy Research Institute.

²³¹ Ibid.

²³² Boucek, C., Revkin, M. (2011). *The Unravelling of the Salih Regime in Yemen*. Carnegie Endowment for International Peace.

apparatus to their advance. In the Sa'dah governorate the Houthis were able to further consolidate their power, while in the southern province of Abyan Al-Qaeda militias took over. Forced to step down in 2012 following an attack that injured him, Saleh's patrimonial network remained widely untouched, which led his successor former vice president Hadi to deal with anti-government protests and the hardening of sectarian divides within the National Dialogue Conference (NDC) - a UN-mandated organ in charge of negotiating the terms of the transition process and drafting the new constitution²³³.

Unable to tackle the widespread corruption, and challenged both by the Houthis in the north, Al-Qaeda and the Hirak movement in the southern territories for ignoring the country's needs, in September 2014 Hadi was ousted by the Houthis that overran Sa'ana and seized government institutions. With the support of Saleh between 2015 and 2017 the Houthis rebels consolidated their rule over Sa'adah and Sana'a governorates, while Hadi escaped to Aden in the south and reinstated the legitimate government of Yemen with the support of the Saudi-led coalition.²³⁴

8.2 Saleh Regime

Hypothesis 1: Centralized systems of production and exclusive elites bargain models promoted by the state are more likely to negatively impact the state legitimacy.

8.2.1 Access to State Structures

²³³ Boucek, C., Revkin, M. (2011). The Unravelling of the Salih Regime in Yemen. Carnegie Endowment for International Peace.

²³⁴ Alley, A. (2010). The Rules of the Game: Unpacking Patronage Politics in Yemen. Middle East Journal, 64(3), 385-409.

Since the 1990s the Republic's political life has been dominated by former president Abdullah Saleh and his broad patronage network previously set up under his presidency of the YAR between 1973 and 1990.²³⁵ During these years Saleh had allied with paramount tribes from the Hashidi confederation- Northern Yemen's most powerful network – ensuring the Sahana clan control over the security apparatus in exchange for extensive political and economic freedoms.²³⁶

Unlike in Syria and Libya, Saleh's network had not dominated the political economy of the country for the previous 40 years and had consolidated only with the weakening of the private sector. In fact, between the Seventies and the late Eighties, labour remittances coming mainly from Gulf countries had enabled the establishment of an independent remittance economy, that had benefitted the local Northern tribes located in the border areas and the private Yemeni citizens.²³⁷ At the time, the security apparatus of the YAR was weak, and although stacked with close relatives and members of the Sanah tribe – traditionally close to the security apparatus of Yemen- the Regime monopoly over the use of force was limited to the capital region. Given the limited military and security resources available to the Regime, during the Seventies Saleh focused on developing its patronage network in those areas with economic resources. As a consequence, the rest of the YAR was marginalized, enabling anyone outside these areas to bypass the state coffers and self-organize.²³⁸

It was only with the contraction of the remittance economy due to the fall of the international price of oil during the Eighties, that the Regime was able to control a greater part of the country's economic wealth and expand its patronage system. Of particular importance was the control over import licences and regulations that enabled Saleh to weaken those Northern

²³⁵ Alley, A. (2010). The Rules of the Game: Unpacking Patronage Politics in Yemen. *Middle East Journal*, 64(3), 385-409.

²³⁶ Salamutter, K. (2017). Why did The Transition Process in Yemen Fail? *Sciences Po Kuwait Program*.

²³⁷ Alley, A. (2010). The Rules of the Game: Unpacking Patronage Politics in Yemen. *Middle East Journal*, 64(3), 385-409.

²³⁸ *Ibid*.

constituencies - the Hashid confederation-that had previously thrived on import and export activities.²³⁹ The government dramatic increase of taxation and regulations strengthened the political economy of the GPC that became Yemen's new business hub. At the same time, the discovery of oil fields in North-Eastern and Southern Yemen at the end of the Eighties enhanced the GPC patronage capabilities.²⁴⁰

Unlike other Arab Republics, the patronage network around Saleh had been increasingly inclusive.²⁴¹ Driven by the need to conceal the regime weak security apparatus, the regime bargain model pivoted around the necessity to secure continuity and avoid direct confrontation with challengers.²⁴² In other words, given the limited monopoly over violence, exclusionary elite bargains or an aggressive posture towards opponents proved to be impractical and costly for the regime which ultimately chose incorporation over exclusionary tactics.²⁴³ In fact, when offered inclusion elites could accept or lobby for a better position, and once implicated they became financially or politically dependent on the regime.²⁴⁴ This entailed that the inclusive strategy while tying the survival of the patronage system to an extensive but balanced distribution of privileges, rendered Yemen with a weak political opposition.²⁴⁵ The alliance de facto consolidated the North's dominance of the country's economic power, making the GCP the leading political force whose affiliation and membership soon became a prerequisite for accessing the country's political and economic life. The GPC network comprised of technocrats, security forces, and tribal groups connected to the country's biggest investor forces and most productive economic sectors. Starting from the security apparatus to the trade and merchant elites that had been integrated during the YAR, the GPC network now accounted for

²³⁹ Boucek, C., Revkin, M. (2011). The Unravelling of the Salih Regime in Yemen. Carnegie Endowment for International Peace.

²⁴⁰ Alley, A. (2010). The Rules of the Game: Unpacking Patronage Politics in Yemen. *Middle East Journal*, 64(3), 385-409.

²⁴¹ Ibid.

²⁴² Ibid.

²⁴³ Ibid.

²⁴⁴ Ibid.

²⁴⁵ Ibid.

the country's energy-related business such as infrastructure, services, and telecommunications.

²⁴⁶ Geographically this patronage system had concentrated within the central regions including the coastal city of Al-Hodeida, an important agro-industrial center, and the Manufacturing capital Taizz, leaving the rest of the country highly underdeveloped. Socially, the patronage ties extended to the major tribal clans of the Hashid confederation: the Sanah and the Al-Almar families.²⁴⁷

Focused on maintaining the integrity of the patronage network around the GPC, during the Nineties the political centre of the new regime shifted towards an alliance with the young Islah party to maintain the support of major tribal constituencies - the Sunni Islam Al-Almar clan.

²⁴⁸ Although allied with Saleh's GPC, the Islah party was a separate political-religious entity with close ties to both Saudi Arabia and the Muslim Brotherhood and served as an alternative to the Southern Socialist Party.²⁴⁹ Between 1994 and 1997 the GPC and the Islah party governed together to counterbalance the strength of the revitalized Hashid -Zaydi movement, the *Houthis*, in the Sa'dah governorate, and to ensure the Northern control of key ministries against southern separatist movements.²⁵⁰

Given the weak security apparatus around the Regime the GPC-Islah approach to the Houthis was appeased and partially accommodating, despite the active efforts of the government to reduce the region's smuggling activities, and attempted co-optation of local constituencies to engineer division.²⁵¹ Meanwhile, economic constraints such as the decreasing extraction capabilities of Yemeni oil fields, lack of growth and weak productivity index progressively made the GPC patronage system hard to sustain, making military confrontation with the

²⁴⁶ Salisbury, P. (2011). Yemen's Economy: Oil, Imports and Elites. Middle East and North Africa Programme Paper MENA PP2011/02, Chatham House.

²⁴⁷ Ibid.

²⁴⁸ Salamutter, K. (2017). Why did The Transition Process in Yemen Fail? Sciences Po Kuwait Program.

²⁴⁹ Ibid.

²⁵⁰ Mitreski, A. (2015). Civil War in Yemen: A Complex Conflict with Multiple Futures. Arabic Center for Research & Policy Studies.

²⁵¹ Alley, A. (2010). The Rules of the Game: Unpacking Patronage Politics in Yemen. Middle East Journal, 64(3), 385-409.

Houthis unfeasible.²⁵² The situation changed when in the aftermath of 9/11 Yemen sided with the United States against International Terrorism. As Husayn Badr al-Din al-Houthi, the leader of the Houthis capitalized on an anti-US sentiment to mobilize supporters to take over Sa'dah governorate posts, Saleh was able to argue that the Houthis were inciting terrorism which encouraged foreign aid to the regime.²⁵³ Between 2004 and 2010 six wars have been fought between the government forces and the Houthis which have further crippled the economy and diverted the government attention from the country's needs. At the same time, growing fissures between the GPC and Islah, due to the latter's ties with the Muslim Brotherhood drove Saleh towards costly coup-proofing tactics that eventually led to his political demise in 2011-2012.²⁵⁴ When the Arab Spring invaded Yemen in January 2011, protests were initially met with economic and political concessions, including Saleh's promise to not run for re-election. Unable to appease the organized opposition, in March the regime resorted to violence leading to a schism between the GPC party and the Sahana clan - Saleh's inner circle. Meanwhile, the mass defection of Islah members from government led to the strengthening of the Joint Meeting Parties (JMP) a coalition of opposition political parties whose goal was to challenge the predominance of the GPC, that became a major powerbroker of the transition process under the GCC Initiative. In the meantime, to respond to the sustained unrest in the capital the regime was forced to withdraw security forces from its province creating a power vacuum that allowed militant groups to gain influence at the expense of the regime that eventually gave in transferring the power to vice-president Hadi in February 2012.²⁵⁵

²⁵² World Bank (2015). Republic of Yemen: Unlocking the Potential for Economic Growth. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/23660> License: CC BY 3.0 IGO." URI.

²⁵³ Barak, A. Salmoni, Loidolt, B., Wells, M. (2010). Regime and Periphery in Northern Yemen. The Houthi Phenomenon. RAND Corporation.

²⁵⁴ Mitreski, A. (2015). Civil War in Yemen: A Complex Conflict with Multiple Futures. Arabic Center for Research & Policy Studies.

²⁵⁵ Encyclopaedia Britannica. Yemen: Arab Spring and Civil War. Enciclopedia Britannica, Inc.

Although the Arab Spring in Yemen had openly condemned both Saleh and his patronage system, the transition of power had not dismissed the economic institutions that had pivoted around the Regime and replicated the exclusionary behaviour of political players outside the GPC alliances.²⁵⁶ As a result, Hadi's administration was unable to tackle the main issues of the country and bolster change as the GPC network remained intact while players like the Houthis and the Southern Movement remained excluded from the National Dialogue Conference.²⁵⁷ At this point, the Houthis, the GPC's National Guard, and the Islah represented the three military forces in Yemen.

Just like the 1994-1997 coalition had been instrumental for the demise of the Socialist Party in the south and the survival of the security apparatus around the Sahana tribe, in 2014 Saleh sought a coalition with the Houthis as an opportunity for the demise of the Islah party and the Al-Ahmar family – the most powerful Hashid tribe underpinning Al-Islah's military wing.²⁵⁸ As the political transitions struggled to give Yemen new political institutions the country's economic and security conditions were dismal and eventually led in 2014 to a resurgence of public discontent in which Saleh-backed Houthis were able to capture the capital and seize control of the government.²⁵⁹ This marked the beginning of a full-blown armed conflict in which the rebel Houthi government and the internationally recognized Yemeni Government have battled off for the control of the Yemeni institutions.

The inclusive stance of Saleh regime during the YAR and the weak centralization of Saleh regime seems to falsify the first hypothesis. In fact, the stability of the regime has been given by Saleh's ability to mediate among constituencies through a system of a balanced rent-sharing

²⁵⁶ Durac, V. (2011). The Joint Meeting Parties and the Politics of Opposition in Yemen. *British Journal of Middle Eastern Studies*, 38(3), 343–365.

²⁵⁷ Salamutter, K. (2017) Why did The Transition Process in Yemen Fail? Sciences Po Kuwait Program.

²⁵⁸ Ibid.

²⁵⁹ Alley, April, L. (2018). Collapse of the Houthis-Saleh Alliance and the Future of Yemen's War. International Crisis Group.

system that ensured that no party was left unsatisfied, rather than from a strict centralized system of production.²⁶⁰

However, some issues are worth mentioning: first, despite during the YAR the Selectorate and the Winning Coalition overlapped, it is worth mentioning that throughout the years Saleh's Regime prioritized the co-option of constituencies close to resources-rich areas to the expenses of those that like the Zaydis that inhabited resource-scarce lands. This eventually led to a sustained deprivation of the Sa'dah governorate from investment and development which led the Houthis to gain increasing support in the Northern region.

Secondly, Saleh actively worked to ensure exclusive access to the security apparatus to few trusted families, and when threatened by the growing consent enjoyed by the Islah party bolstered the role of the Sahana-controlled Republican Guard to the detriment of his alliance with the Ahmar family at the time in a leading position within the Hashidi confederation. Furthermore, Saleh driving force has been the maintenance of the GPC influence over the political economy of Yemen, which has kept a significant role in Yemeni economic life from the late Eighties until his final demise in 2015.

Considering these facts, I still consider the condition not met, nevertheless, the regime approach to the Houthis and to the Islah party mitigates the falsification of the hypothesis and suggests that while keeping a general inclusive behaviour, with the strengthening of regime hold over the security apparatus, an increasingly "selective-exclusionary behaviour" can be observed.

8.2.2 Access to State Resources

²⁶⁰ World Bank (2015). The Republic of Yemen. Unlocking the Potential for Economic Growth. A Country Economic Memorandum. Middle East and North Africa Region. Macroeconomics and Fiscal Management Global Practice.

Unlike in other Arab countries where the protests sprouted spontaneously, in Yemen the popular uprising was a direct manifestation of more organized opposition groups - the JMP - tired of the scant interest of the regime to address the country's economic and political impasse.²⁶¹

Finding itself along key fault lines of the international system, events like the Cold War, inter-Arab conflicts and the rise and fall of oil fortunes have shaped Yemeni state as a political and economic entity. Divided in two blocks from 1918 to 1990, the two Yemeni states enjoyed financial aid from a multilateral donor entity where Arab, European, and Asian donors significantly improved the quality of living in both the Northern YAR and the Southern PDRY.²⁶² In fact, the largesse of the Superpower competition and the geographic placing of today's Yemen enabled both territorial entities to enjoy generous multilateral aid packages. Everything from infrastructure to water access and sanitation services had been possible with donor's aid-receipts and commodity credits issued by regional and international powers.²⁶³ Although neither Yemen depended on any single patron, the Saudi Kingdom together with the Gulf states have historically exercised considerable interest in Northern Yemen standing for Western interests in the peninsula, while the URSS held most of both government debts until its dissolution.²⁶⁴

Prior to unification the YAR's economy had pivoted around agriculture, diaspora remittances coming mainly from Saudi Arabia, and the private trade ventures limited to those close to the Regime.²⁶⁵ Compared to its oil-rich neighbours, Yemen is a resource-scarce country. Around 40% of the population lives scattered around the country and their access to basic goods and

²⁶¹ Juneau, T. (2013). Yemen and the Arab Spring: Elite Struggles, State Collapse and Regional Security. Foreign Policy Research Institute.

²⁶² Carapico, S. (2006). No Quick Fix: Foreign Aid and State Performance in Yemen.

²⁶³ Ibid.

²⁶⁴ Ibid.

²⁶⁵ Alley, A. (2010). The Rules of the Game: Unpacking Patronage Politics in Yemen. Middle East Journal, 64(3), 385-409.

services (food, water, fuel) is at the mercy of security and infrastructure making the livelihood of Yemeni rural citizens dependent on oil-prices.²⁶⁶ Nevertheless, compared to the rest of the region, Yemen has the most fertile territory in the Peninsula. With 44.5% of farmable land concentrating in the coastal areas ²⁶⁷ the economy of the YAR had been primarily agricultural and employed 75% of the country's labour force that contributed to 52.2% of the GDP.²⁶⁸ Since the discovery of viable oil fields in 1984 the role of agriculture dropped to 20.8% of the labour force but managed to remain the second biggest employment sector in Yemen. In fact, oil-wealth enabled Sale's GPC network to rapidly shift towards more profitable activities such as infrastructure and telecommunication that generated growth and development and allowed the government to enlarge budgetary allocation to public administration and services.²⁶⁹ Ultimately this led to the weakening of the remittance economy of the Highlands and to the co-optation of the most powerful families of the Hashidi confederation that had previously thrived on unregulated cross-border trade through the established Local Development Councils (LDCs).²⁷⁰

Since 1984, the hydrocarbon sector has dominated Yemeni economic life. Accounting for 79% of government revenue and for 60% of the total GDP (1990-2010).²⁷¹ Given the rent-sharing logic of the Saleh Regime, the management of oil and gas resources has been a key element for stability enhancing the co-optation capabilities of the GPC. However, the initial capital investment made by the regime in the hydrocarbon industry eventually led to the misallocation

²⁶⁶ Salisbury, P. (2011). Yemen's Economy: Oil, Imports and Elites. Middle East and North Africa Programme Paper MENA PP2011/02, Chatham House.

²⁶⁷ Tshiband, S. (2019). Quat, War and the Political Economy of Aid in Yemen. Peace and Conflict Resolution Conference 2019. Tomorrow People Organization. Bangkok, 15-17 November 2019.

²⁶⁸ Al-Iriani, M. Ali (1987). Migration Remittances and economic development in Yemen Arab Republic. Retrospective Theses and Dissertations. 16567.

²⁶⁹ Ibid.

²⁷⁰ Alley, A. (2010). The Rules of the Game/ Unpacking Patronage Politics in Yemen. Middle East Journal, 64(3), 385-409.

²⁷¹ World Bank (2015). The Republic of Yemen. Unlocking the Potential for Economic Growth. A Country Economic Memorandum. Middle East and North Africa Region. Macroeconomics and Fiscal Management Global Practice.

of labour and human capital because unmatched by economic diversification and parallel modernization of the existing agro-industrial sector.²⁷²

With hydrocarbons being the main source of revenue for the regime, in front of decreasing resources and an increasingly large Winning Coalition the system control over rents that had characterized Yemeni politics for over Thirty years was collapsing, and with-it Saleh's legitimacy was thinning.²⁷³ In fact, if during the Nineties Saleh was able to accommodate an extended patronage network through the exploitation of the energy sector, with the beginning of the new century the decline of oil-production and increasing frustration coming both from within the GPC and from the outside, mobilized an increasing number of opposition parties to ask for economic reforms and better governance. While Al-Islah constituencies were primarily concerned with Saleh increasing stronghold over Yemen's security apparatus, Zaydi constituencies mobilized militarily over decades-old grievances.²⁷⁴

As early as 2006 considering the growing opposition and the decreasing resources the regime enacted economic reforms aimed at reducing the state dependence on oil subsidies and diversify the economy.²⁷⁵ Institutions like the Social Fund for Development and the multi-agency Response Fund were created with the help of the World Bank to shield the poorest from burgeoning budgetary pressure. The reforms, however, were pushed by the regime weak fiscal position and by the need to appease a growing opposition coming from the *Islah* party.²⁷⁶

Similarly to Syria, the economic reforms introduced by Saleh in 2006 reflected the need of the Regime to survive and adapt to the new economic conditions. However, in the case of Yemen

²⁷² World Bank (2015). The Republic of Yemen. Unlocking the Potential for Economic Growth. A Country Economic Memorandum. Middle East and North Africa Region. Macroeconomics and Fiscal Management Global Practice.

²⁷³ Ibid.

²⁷⁴ Salisbury, P. (2011). Yemen's Economy: Oil, Imports and Elites. Middle East and North Africa Programme Paper MENA PP2011/02, Chatham House.

²⁷⁵ Ibid.

²⁷⁶ Ibid.

the lack of results needs to be attributed to the strength of the patronage system vis-a-vis the weak regime.

Despite the inclusive stance of Saleh' bargains, the regime's patronage network thrived on the discretionary application of economic regulations to curtail the affirmation of independent business. Measures like exclusion from accessing credit facilities, to restrictions of association and public employment policies were used by state constituencies to exclude non-elites from accessing state subsidies that ensured their livelihood.²⁷⁷

8.2.3 Aden-based Yemeni Government War Economy

Since 2015 the government has been involved in a burgeoning war. In the North, the Houthis have taken control of major economic sectors such as import, distribution and sale of fuel, custom and taxation, telecommunications, and car imports.²⁷⁸

Whereas in the South the government struggles with retaining control of its energy facilities that have been increasingly under control of independent local authorities, namely Hadrami and Shabwani constituencies part of the Southern Separatist Movement, while retaining control of the Marib facilities and of the country's only refinery in Aden.²⁷⁹ Considering decreasing economic capabilities, the major driver for the government's war economy has been the sustenance and expansion of the pre-existing patronage system.²⁸⁰ An important aspect of Hadi's war economy has been the inflation of military payrolls where by exaggerating the number of soldiers employed government and military officials pocket the excess salaries or

²⁷⁷ Salisbury, P. (2011). Yemen's Economy: Oil, Imports and Elites. Middle East and North Africa Programme Paper MENA PP2011/02, Chatham House.

²⁷⁸ Salisbury, P., Al-Akhali R. (2016). The Economy Is the Newest Front in Yemen's Brutal War. World Politics Review, September 15, 2016.

²⁷⁹ Sana'a Center for Strategic Studies (2018). Policy Brief: Corruption in Yemen's War Economy. November 5, 2018.

²⁸⁰ Salisbury, P., Al-Akhali R. (2016). The Economy Is the Newest Front in Yemen's Brutal War. World Politics Review, September 15, 2016.

military supplies for profits.²⁸¹ This has increased incentives for anti-Houthi forces to fabricate their effective numbers and has generated a revenue of approximately \$4.6 billion since the beginning of the war.²⁸² There has also been evidence that suggests that this lucrative business has transcended conflict frontlines extending into Houthis-controlled areas. The money comes from wealthy patrons like the UAE and Saudi Arabia and is channelled to the government through the Central Banks of Yemen (CBY), the last-standing impartial institution in Yemen.²⁸³ In fact, since 2015, ran by one of Yemen's most able technocrat Mohammed Bin Humam, the CBY has acted free from political interference and both parties have been abiding this unwritten rule.²⁸⁴ While this has partially led to an indirect role of the CBY into the conflict since it allows both parties to pay off their civil servants (1.5 million) and military personnel (450.000), it has also helped the economy to keep afloat.²⁸⁵ By injecting cash directly into the Yemeni economy, the CBY has avoided the exhaustion of foreign currency reserves and with it the collapse of the economy.²⁸⁶

Despite the impartiality of the CBY, Hadi's government has not been above from using the economy as a political tool against Sana'a and has actively pursued plans to shut down the CBY in the capital to open a new institution in Aden, and designed policies to constrain the Houthis economy.²⁸⁷

Another source of revenue has been the oil import-business. Since 2015, Yemeni oil facilities

²⁸¹ Sana'a Center for Strategic Studies (2018). Policy Brief: Corruption in Yemen's War Economy. November 5, 2018.

²⁸² Salisbury, P., Al-Akhali R. (2016). The Economy Is the Newest Front in Yemen's Brutal War. World Politics Review, September 15, 2016.

²⁸³ Sana'a Center for Strategic Studies (2018). Policy Brief: Corruption in Yemen's War Economy. November 5, 2018.

²⁸⁴ Ibid.

²⁸⁵ Salisbury, P., Al-Akhali R. (2016). The Economy Is the Newest Front in Yemen's Brutal War. World Politics Review, September 15, 2016.

²⁸⁶ Ibid.

²⁸⁷ DeLozier, E. (2019). In Damming Report, UN Panel Details War Economy in Yemen. The Washington Institute for Near East Policy, Policy Analysis, PolicyWatch 3069.

have been officially shut down making Yemen heavily dependent on oil imports.²⁸⁸ Since then, sectors like agriculture and trade have been decimated and the Yemeni citizens have depended on the informal economy to survive. The rise of informal enterprises to supplant the absence of the state in activities like food and aid distribution, transportation, and foreign currency exchange has brought a rising class of moneyed elites that pivots around the central government in Aden.²⁸⁹ This rent-seeking logic encapsulates the way Hadi regulates the markets and generates profits to sustain its fight against Sa'dah. Unable to apply taxes and regulation like a strong central government would, the Hadi government ensures revenue by granting licences or supporting local tribes as long as commissions are paid to the government.²⁹⁰

In 2015, the government enacted a naval blockade to all Houthi-controlled ports operationalized by the UN-mandated Inspection Mechanism that patrols and checks ships for Aden-issued permits.²⁹¹ This has benefitted those in the maritime fuel-transportation business like the Alessi Group that through its close ties with the patronage system holds a monopoly over fuel imports and dispatchment in government-controlled areas, despite the liberalization of the fuel economy in 2018.²⁹² More importantly, this has opened new patronage opportunities that extend beyond government-controlled areas.²⁹³ In fact, through the institution of the Inspection Mechanism, Hadi's inner circle has become the point of contact for those wishing to obtain import permits for Hodeida and other Houthi-controlled ports.²⁹⁴ This has hindered

²⁸⁸ Sana'a Center for Strategic Studies (2018). Policy Brief: Corruption in Yemen's War Economy. November 5, 2018.

²⁸⁹ Huddleston, Joseph, R., Wood, D. (2021). Functional Markets in Yemen's war Economy. Journal of Illicit Economies and Development, LSE Press.

²⁹⁰ Huddleston, Joseph, R., Wood, D. (2021). Functional Markets in Yemen's war Economy. Journal of Illicit Economies and Development, LSE Press.

²⁹¹ Sana'a Center for Strategic Studies (2018) Policy Brief: Corruption in Yemen's War Economy. November 5, 2018.

²⁹² DeLozier, E. (2019). In Damming Report, UN Panel Details War Economy in Yemen. The Washington Institute for Near East Policy, Policy Analysis, PolicyWatch 3069.

²⁹³ Sana'a Center for Strategic Studies (2018). Policy Brief: Corruption in Yemen's War Economy. November 5, 2018.

²⁹⁴ DeLozier, E. (2019). In Damming Report, UN Panel Details War Economy in Yemen. The Washington Institute for Near East Policy, Policy Analysis, PolicyWatch 3069.

the distribution of aid subsidies beyond government-controlled areas leaving the provision of food and medicine up to the mercy of smugglers.

Overall, the conflict has allowed the government to bypass scrutiny of its assets and expenditures allowing it to continue capitalizing from the system's lack of transparency.²⁹⁵ The Hadi government enjoys international recognition and has been openly supported by Saudi Arabia, the UAE and Russia, while the UN security council through resolution 2216 has helped strengthen maritime control and national sovereignty. Neighbouring Arab countries through Saudi Arabia have supported militarily the Yemeni government against the Houthis by providing weapons and intelligence sharing which has substantially eased the government's fiscal stress.²⁹⁶ Whereas the role of Russia has been more appeased when compared to other two cases, and on the ground maintains diplomatic relations with both sides and all parties involved although recognizing the Hadi government as the legitimate government of Yemen.²⁹⁷ In fact, while international observers have considered Russia to be a mediating actor between regional and local forces. Since 2016 Russia has been financially supporting Hadi who has commissioned Moscow the printing of Yemeni rials to enable the government to pay public sector salaries at a time when oil prices and shortage of hard currency have hindered the government's resources.²⁹⁸

9.1 Rebels

²⁹⁵ Sana'a Center for Strategic Studies (2018). Policy Brief: Corruption in Yemen's War Economy. November 5, 2018.

²⁹⁶ De Olazàbal II, Itxaso, D. Hamad, L. (2019). Russia's Multidimensional Approach to the Yemen War. Italian Institute for International Political Studies.

²⁹⁷ Ramani, S. (2019). Russia's Strategic Balancing Act in Yemen. The Arab Gulf States Institute in Washington.

²⁹⁸ The Economist (2017). Russia Steps Up Role in Yemen by Printing Currency. The Economist Intelligence Unit, Yemen, Economy Forecast.

Hypothesis 2: Rebel orders that promote inclusive bargain models and challenge the state to alter the relation between state and society are more likely to be legitimized by local elites as alternative systems to the one of the states.

Hypothesis 3: Rebel orders that are capable of monopolizing violence over a given territory and can implement governance models are more likely to be legitimized by elites as alternative systems to the one of the states.

9.2 The Houthis

In 2011, the violent tactics used by the regime against protesters increasingly eroded Saleh support and eventually led to substantial defections from the GPC and the regime's military wing. As unrest continued the need to concentrate the remaining security forces in key locations around the capital led to the consolidation of three major political divides, namely the Houthis, the Islah-led opposition, and the Southern Transition Council (STC).²⁹⁹ Despite the government being overthrown in 2012, the post-Saleh transition has been troublesome and the lack of success of the GCC implementation agreement has irreversibly deepened cleavages along tribal and regional affiliations. Considering the failures of the transition government to fundamentally alter the political economy of the GPC, the lack of reconciliation between the central government and dissident movements led to the hardening of sectarian divides between 2012 and 2014.³⁰⁰ Taking advantages of the situation in September 2014, the Houthi movement seized control of government institution in Sana'a, established its own transition government

²⁹⁹ Salisbury, P. (2020). The International Approach to the Yemen War: Time for a Change? Yemen Policy Center.

³⁰⁰ Alley, April, L. (2014). Yemen's Houthi Takeover. Middle East Institute.

and forced the Hadi government to flee to Aden.³⁰¹ While supporters of the movement see the Houthis as a reactionary movement against a government unable to correct the wrongs of the regime, opponents - from the government to the STC - see the Houthi takeover and their alliance with Saleh's forces as an attempt to preserve the Northern dominance of the political transition while reviving the privileged political role of the Zaydi -Hashemite constituencies.³⁰² The Houthi's takeover aimed at securing a leading position in Yemen's future political configuration as the Zaydi constituencies had been historically excluded by the central government in terms of infrastructure and social welfare and had grown hostile to Sana'a.³⁰³ In fact, the Houthi movement had succeeded in attenuating the GPC and Islah political power in the Highlands since the Nineties by capitalizing on the widespread perception of exclusion and negligence of the region by the central government.³⁰⁴

9.2.1 Access to State Structures

In February 2015, the Houthis formalized their control over the Yemeni state by replacing the Hadi government with the Supreme Revolutionary Committee. Succeeded in 2016 by the Supreme Political Council, the Houthis and GPC ruled as equals under the National Salvation Government.³⁰⁵ The Houthi-Saleh alliance has been a marriage of convenience between former enemies pushed by the common need to take charge of the political transition process. In many ways the alliance was a negative coalition against an increasingly alienating transition process that favoured the Islah party and its allies. What bounded the two parties together were

³⁰¹ Salisbury, P. (2020) The International Approach to the Yemen War: Time for a Change? Yemen Policy Center.

³⁰² Alley, April, L. (2014). Yemen's Houthi Takeover. Middle East Institute.

³⁰³ Ibid.

³⁰⁴ Al-Hamdani, R., Lackner, H. (2020). Houthi (Yemen) in Guns and Governance: How Europe Should Talk with Non-State Armed Groups in the Middle East. European Council on Foreign Relations.

³⁰⁵ Ibid.

the economic costs related to federalism and decentralization that would have undermined the GPC's network on one side, and separated the Houthis from their economic resources on the other.³⁰⁶ In other words, the opportunist terms of the alliance made it unlikely sustainable in the long term.

Starting from the Houthis hardliner's political ideology that derives the Zaydi legitimacy to rule from their descentance from the prophet, to economic concerns on the allocation of resources, to the explicit preference of Hashemites in leadership positions the Houthis have increasingly been less politically inclusive.³⁰⁷ On one side the Houthis lamented that Saleh's was redirecting resources to maintain its patronage network and smear the Houthis, while the GPC accused the Houthis of misusing government funds.³⁰⁸ By August 2017 internal tensions reached a tipping point which urged Saleh to turn against the alliance by taking a conciliatory approach with the Aden government.³⁰⁹ This led to open confrontation between the Republican Guard and Houthi fighters in Sana'a who later killed Saleh on December 4th and arrested GPC members suspected of being involved in the attempted coup. Politically, the GPC's experience in governance had been a major driver for the alliance.³¹⁰ However, militarily, the contribution to the alliance heavily favoured the Houthis that had been able to appoint loyalist to the NCG military-security apparatus undermining the role that Saleh's Republican Guard had historically played in securing the GPC survival.³¹¹ It is important to highlight that given the less clear structure of

³⁰⁶ Al-Hamdani, R., Lackner, H. (2020). Houthis (Yemen) in Guns and Governance: How Europe Should Talk with Non-State Armed Groups in the Middle East. European Council on Foreign Relations.

³⁰⁷ Ibid.

³⁰⁸ Alley, April, L. (2018). Collapse of the Houthis-Saleh Alliance and the Future of Yemen's War. International Crisis Group.

³⁰⁹ Al-Hamdani, R., Lackner, H. (2020). Houthis (Yemen) in Guns and Governance: How Europe Should Talk with Non-State Armed Groups in the Middle East. European Council on Foreign Relations.

³¹⁰ Alley, April, L. (2018). Collapse of the Houthis-Saleh Alliance and the Future of Yemen's War. International Crisis Group.

³¹¹ Alley, April, L. (2018). Collapse of the Houthis-Saleh Alliance and the Future of Yemen's War. International Crisis Group.

the Houthis as a military and political movement, the alliance allowed the Zaydi constituencies to penetrate pre-existing security and military structures and inject their own loyalists.³¹²

Between 2015 and 2017 while allied, the Houthis and Saleh have fought an internal thug war for the control of the security apparatus which they eventually gained in 2017.³¹³ This however has not institutionalized or legitimized the Houthis as a de facto authority in the traditional sense as the Houthis still rely on informal and irregular networks when it comes to the security apparatus.³¹⁴ In fact, what emerges it is a hybrid structure where conventional and unconventional elements are combined.³¹⁵

Politically, the Houthis have increasingly become unpopular within their controlled areas. This is in no small part due to the Houthis security-led approach to governance, their tendency to political repression and economic profiteering.³¹⁶ Since 2017 the Houthis have been the sole political player in North-Western Yemen extending over seven of twenty-one governorates in Yemen - Sa'dah, Hajja, Amran, Hodeidah, Sana'a, Dhammar and Ibb.³¹⁷ In these governorates the presence of the state is mostly visible as a security actor, while is almost absent in terms of governance and provision of services as it is focused on redirecting the scarce resources to military and policing operations.³¹⁸

The dissatisfaction with the Houthis governance has not translated into an uprising against them. This has been primarily ascribed to North-Western tribes' tendency to align with whomever is most likely to win and does not pose a direct threat to their inner workings. Especially in those tribes that have been traditionally neglected by the government, a leader's

³¹² Ibid.

³¹³ Salisbury, P. (2017). Yemen: National Chaos, Local Order. Chatham House.

³¹⁴ Ibid.

³¹⁵ Ibid.

³¹⁶ Ibid.

³¹⁷ Alley, April, L. (2018). Collapse of the Houthis-Saleh Alliance and the Future of Yemen's War. International Crisis Group.

³¹⁸ Salisbury, P. (2017). Yemen: National Chaos, Local Order. Chatham House.

responsibility is primarily to its tribe, and as an outcome tribal affiliation in Yemen have been for the most part pragmatic if not opportunistic.³¹⁹

Houthis-affiliated militias and clans are linked together by what they oppose rather than a common interest in the future of Yemen, which substantially leaves the Houthis in power and allows them to be less politically inclusive as long as tribal networks are not disrupted.³²⁰

9.2.2 Access to State Resources

Reports show how in Houthis-controlled areas the rebel government has been redirecting state funds towards their war efforts by appropriating government revenue provided by the CBY to pay salaries and administer services to the population.³²¹ Another source of profiteering has been the confiscation of bank accounts and properties belonging to individuals that have opposed their rule, and profits from the detention of civilians that are then used as bargain chips for political, economic or political gains.³²² In fact, the Houthi government has been uninterested in the deteriorating downfall of the Yemeni economy and indifferent to the devastating effects of their governance model on the livelihood of the population. Despite promises of a transparent government the Houthis have shown to be unwilling to political inclusiveness and rely on strategies of economic profiteering of both state funds and civilians to fund their war efforts.³²³

³¹⁹ Salisbury, P. (2017). Yemen: National Chaos, Local Order. Chatham House.

³²⁰ DeLozier, E. (2019). In Damning Report, UN Panel Details War Economy in Yemen. The Washington Institute for Near East Policy, Policy Watch 3069.

³²¹ Aljazeera (2021). Economic Profiteering Fuelling War in Yemen: UN. January 27, 2021.

³²² Noman, S. (2021). War Economy Flourishing behind the walls of Houthis detention centres. Almasdar Online. January 21, 2021.

³²³ Al-Hamdani, R., Lackner, H. (2020). Houthis (Yemen) in Guns and Governance: How Europe Should Talk with Non-State Armed Groups in the Middle East. European Council on Foreign Relations.

Given the lack of a clear governance model and the absence of political inclusion by the Houthis I consider the second and third hypothesis not met. Not only vis-à-vis the previous regime the Houthis have shown lesser inclination to inclusion and transparency, but their monopoly over violence and their economic concerns that have undermined the country's needs seem to be more in line with what Sobek and Payne refer to as *wars of replacement*³²⁴. In fact, the increasing injection of Houthi-affiliated civil servants and loyalist into the NCG political and military apparatus between 2015 and 2017 to the expenses of the alliance and the ordinary Yemeni citizens suggests that the Houthis have been engaging in a conflict driven by political grievances where the aim is to replace rather than alter the status quo.

9.2.3 Sa'ana-based Rebel Government War Economy

Since the beginning of the war the Houthis have maintained control of north-western provinces and with minor setback have established a parallel economy to sustain their warring efforts and to pay the salaries of civil servants installed by the group to replace the Regime's loyalists. In the North, Houthi militias have taken control of major economic activities that had previously been inaccessible to Zaydi constituencies and had belonged to Saleh patronage networks. Custom taxes, import and distribution of fuel, and telecommunications have become a significant source of patronage for the rebel government that is now the major economic player in Northern Yemen.³²⁵ The Houthis strongly rely on rents and fees that were once collected by the government such as import taxes in Hodeida and al-Salif ports and checkpoint in the Dhamar province where all the country's imports pass, even those not under Houthi control.

³²⁴ Sobek, D. Payne, Caroline L. (2010). A Tale of Two Types: Rebel Goals and the Onset of Civil Wars, *International Studies Quarterly*, Volume 54, Issue 1, March 2010, pp. 213–240.

³²⁵ Lederer, Edith, M. (2021). UN Panel: Yemen's War Being Fueled by Economic Profiteering. Associate Press, January 27, 2021.

³²⁶ Economic profiteering at the state's expenses is believed to be the major source of revenue for the rebel government that in 2019 alone has diverted \$1.8 bn worth of revenue from state funds alone.³²⁷ The money is being allegedly used to pay for civil servants in Sa'ana and the Houthis security apparatus, from the military to militias and their fighters.³²⁸

UN monitors suggest that the Houthis generate a significant amount of revenue by smuggling and distributing low-market Iranian oil that is then sold to the population for a large markup. Reports suggests that while substantial oil subsidised have been granted by Iran, the Houthis have also generated rents by artificially creating fuel scarcity to regulate prices on the black market controlled by Houthi senior officials.³²⁹ The inexperience in the oil business, however, has also led the Houthis to target infrastructure and assets such as truck and oil stations and to rely on non-Houthi traders that act through the Hodeida port with falsified paperwork to avert detection from UN maritime monitors.³³⁰ Other sources disclose that a growing body of evidence suggests that Al-Hodeida and Al-Salif ports have also been used to import weapon system and components provided by individual entities within the republic of Iran.³³¹ The Houthis have also targeted the civilian population for military political and economic gains. The arrest and detention of civilians often under fabricated accusations has been a massive source of revenue for the rebels.³³² While arrests and detentions are kept outside the official justice system, payments from family members are asked by the Houthis for different services allegedly provided to the detainees such as follow-up on their often inexistent case, the

³²⁶ DeLozier, E. (2019). In Damning Report, UN Panel Details War Economy in Yemen. The Washington Institute for Near East Policy, Policy Analysis, PolicyWatch 3069.

³²⁷ Lederer, Edith, M. (2021). UN Panel: Yemen's War Being Fueled by Economic Profiteering. Associate Press, January 27, 2021.

³²⁸ Sana'a Center for Strategic Studies (2018). Policy Brief: Corruption in Yemen's War Economy. November 5, 2018.

³²⁹ DeLozier, E. (2019). In Damning Report, UN Panel Details War Economy in Yemen. The Washington Institute for Near East Policy, Policy Watch 3069.

³³⁰ Ibid.

³³¹ Ibid.

³³² Noman, S. (2021). War Economy Flourishing Behind the Walls of Houthis Detention Centres. Almasdar Online. January 21, 2021.

provision of food and medicine, the access to phone calls, and the limited torture of the prisoners.³³³ In other words, although in some cases civilians are used as political and military bargain chips, in most cases civilians are captured for the sole purpose of demanding ransom sums of money to the families for their release.

The profiteering logic behind the Houthis war economy confirms the above-mentioned falsification of the second and third hypothesis. Despite the strict monopoly over violence in the North-Western governorates the Houthis have been uninterested in establishing a governance model that supplants goods and services to the population. However, despite the lack of a clear bargain model between the Houthis and tribes, the latter have not revolted against the Houthi monopoly - I argue - because in lack of alternatives. This is in line with Bueno de Mosquita's Selectorate theory, Lindemann's work and Kalyvas assertion that suggest that to defect from the status quo elites need to be presented with incentives to do so, and in lack of alternatives they will choose to remain loyal to the status quo. In other words, despite the Zaydis represent both the Selectorate and the Winning coalition in Sa'ana - which according to literature gives incentives for challengers to oppose the status quo- the Houthis' monopoly over the state security apparatus and sustained looting activities over resources have risen the costs for internal challenger to surge and reinforces elite's cohesion and loyalty in lack of alternatives.

³³³ Ibid.

Chapter V: Findings and Conclusion

10.1 Research Findings

The previous chapters outlined the research theoretical framework and highlighted the importance of elite bargains and legitimacy for governance actors. Drawing on the Elitist approach, this dissertation developed a model and derived three hypotheses to argue whether a causal link between states economic behaviour, conflict and rebel's legitimacy exists. To test my hypotheses concepts have been the bargain logic between political actors and elites, the governance model of rebels vis-à-vis the one of the governments and the territorial character of the rebels.

We turn now on the comparison of the cases in relations to the research hypothesis:

Hypothesis 1: Centralized systems of production and exclusive elites bargain models promoted by the state are more likely to negatively impact the state legitimacy.

Hypothesis 1 seems to be corroborated in all the three cases, in fact Lindeman's ³³⁴ argument on the risks that central government run in not accommodating social cleavages seem to explain the onset of social unrest of the Arab Spring in the three countries. Although with different intensities and modalities the three Regimes have opted for a centralization of both political

³³⁴ Lindemann, S. (2008). Do Inclusive Elite Bargains Matter? A Research Framework for Understanding the Causes of Civil War in Sub-Saharan Africa. Development Studies Institute, Crisis State Discussion Papers, February 2008.

power and economic redistribution in a way for which substantial constituencies have been undermined and excluded from accessing state's services.

In Libya and Syria, the political economy of the regimes envisioned economic co-optation of *functional* constituencies, (the essential coalition) like the ones near the capital and/or economic chokepoints in the case of Libya³³⁵, or the rural and agricultural Sunni and Alawi constituencies in the case of Syria³³⁶. However, neither regime ever allowed for political inclusion even for those constituencies well positioned in the state' administrative and security apparatus. If in Libya the illusion of political inclusion has been hidden behind the decentralized approach of the Jamahiriya, in Syria the centralization of power under both Hafez and Bashar has been more evident with a clear authoritarian bargain model where a culture of collective fear contributed to the continuity of the status quo in which in exchange for lack of political right and expression selected elites were granted preferential access to services and administration.³³⁷ In both cases the regime was able to retain hold on the security apparatus, whether by constantly undermining it like in the case of Libya,³³⁸ or by dominating it like in the case of Syria.³³⁹

The Yemeni case on the other hand discloses substantial differences with the other two cases. As mentioned in the chapter on Yemen, Saleh's bargain model under the YAR had been inclusive because it lacked a proper hold on the security apparatus.³⁴⁰ As a consequence, before unification, we can see a power consolidating in the GCP party, a network enabled by Saleh to

³³⁵ Winer, Jonathan M. (2019). Origins of the Libyan Conflict and Options for its Resolution. Middle East Institute.

³³⁶ Hinnebusch, R. (2012). Syria: From "Authoritarian Upgrading" to Revolution. *International Affairs* 88(1):95-113.

³³⁷ Droiz-Vincent, P. (2014). State of Barbary (Take Two): From the Arab Spring to the Return of Violence in Syria. *Middle East Journal*, Winter 2014, Vol. 68, No. 1 (Winter 2014), pp. 33-58.

³³⁸ Wolfram Lacher (2016). Libya's Local Elites and the Politics of Alliance Building, *Mediterranean Politics*, 21/1, 64-85.

³³⁹ Droiz-Vincent, P. (2014). State of Barbary (Take Two): From the Arab Spring to the Return of Violence in Syria. *Middle East Journal*, Winter 2014, Vol. 68, No. 1 (Winter 2014), pp. 33-58.

³⁴⁰ Alley, A. (2010). The Rules of the Game: Unpacking Patronage Politics in Yemen. *Middle East Journal*, 64(3), 385-409.

negotiate with constituencies on political and economic matters.³⁴¹ The *have-nots* of the first Saleh regime were mainly constituencies that had rejected co-optation and inhabited resource scarce territories like those clans of the Hashid confederation in North-Western Yemen.³⁴² Given its weak security apparatus the Regime decided to concentrate within the most economically developed and resource-rich areas, namely the central region of Sana'a and the north-western coastal areas around the Al-Hodeida port³⁴³; and opted for an inclusive stance where constituencies could negotiate their position within the state apparatus.³⁴⁴

When in the 1990s the two Yemeni entities united, we see a strong and historically inclusive GCP shifting approach in light of a substantial territorial expansion that had made it responsible for a wider territorial entity.³⁴⁵ In fact, if under the YAR the GCP had been inclusive but relatively small in its territorial character, following the unification the GCP became a northern-dominated network, working in the North and for the North.³⁴⁶ It is only after the Nineties that we see an exclusive bargain logic and a centralized character emerge in Saleh's governance model. If a survival logic was present since the earlier days and had pushed the regime to be accommodating towards constituencies, with the territorial expansion the regime finds itself opting for exclusive elite bargain in order to retain its central position in the socioeconomic life of the country. In other words, acknowledging that a logic of survival is behind the Regime approach to elite bargains in the terms set by Lindeman³⁴⁷ (exclusive vs.

³⁴¹ Alley, A. (2010). The Rules of the Game: Unpacking Patronage Politics in Yemen. *Middle East Journal*, 64(3), 385-409.

³⁴² Alley, April, L. (2018). Collapse of the Houthis-Saleh Alliance and the Future of Yemen's War. *International Crisis Group*.

³⁴³ Salisbury, P. (2011). Yemen's Economy: Oil, Imports and Elites. *Middle East and North Africa Programme Paper MENA PP2011/02*, Chatham House.

³⁴⁴ Alley, A. (2010). The Rules of the Game/ Unpacking Patronage Politics in Yemen. *Middle East Journal*, 64(3), 385-409.

³⁴⁵ *Ibid.*

³⁴⁶ Mitreski, A. (2015). *Civil War in Yemen: A Complex Conflict with Multiple Futures*. Arabic Center for Research & Policy Studies.

³⁴⁷ Lindemann, S. (2008). *Do Inclusive Elite Bargains Matter? A Research Framework for Understanding the Causes of Civil War in Sub-Saharan Africa*. Development Studies Institute, Crisis State Discussion Papers, February 2008.

inclusive elite bargains), Bueno de Mesquita³⁴⁸ (Selectorate theory) and Rubin³⁴⁹(collective action capacity), then also the Yemeni case corroborates the first hypothesis of this dissertation. In all three cases exclusive elite bargains, a centralized system allocation of state resources, and a discriminating access to state's services have negatively impacted the state's legitimacy vis-à-vis a challenger. In post-revolutionary Libya the decentralized logic of political interaction and highly centralized economic institutions have been challenged by a composite and increasingly sectarian opposition movement that has questioned the institutional stance of the regime but often failed to address the economic stance of the new political system³⁵⁰. Regardless of the political implications, the Libyan scenario has been dominated by two main rivaling views that challenge different aspects of the previous Regime, upholding two distinct elite bargain models that seem to accommodate different elites.³⁵¹ In Syria, Bashar's new economic policies have raised resentment amongst those elites that until recently had enjoyed favorable policies and access to administrative posts.³⁵² Following the Arab spring the rural Sunni, and Christian constituencies have collectively united under the Kurdish-dominated AANES, an federal entity that promotes an economic model that - although not entirely independent from Damascus - rejects economic integration of the private sector and promotes a decentralized governance model centered around its agro-industrial social base.³⁵³ Whereas in Yemen, the inability of the central government to accommodate the new economic needs of

³⁴⁸ Bueno de Mosquita, B., Smith, A., Silverston, Randolph M. (2005). *The Logic of Political Survival*. MIT Press Books, The MIT Press, edition 1, volume 1, number 0262524406, September.

³⁴⁹ Rubin, Michael A. (2018). *Rebel Territorial Control, and Political Accountability in Civil War. Evidence from the Communist Insurgency in the Philippines*, Columbia University.

³⁵⁰ El Kamouni-Jassen, F., Shadeedi, H., Ezzeddine, N. (2018). *Local Security Governance in Libya. Perceptions of Security and Protection in a fragmented Country*. CRU-Report, Clingendael, Netherlands Institute of International Relations.

³⁵¹ Ibid.

³⁵² Droiz-Vincent, P. (2014). *State of Barbary (Take Two): From the Arab Spring to the Return of Violence in Syria*. *Middle East Journal*, Winter 2014, Vol. 68, No. 1 (Winter 2014), pp. 33-58.

³⁵³ Hatahet, S. (2019). *The Political Economy of the Autonomous Administration of North and East Syria*. European University Institute, *Wartime and Post-Conflict in Syria (WPCS)*, Research Project Report November 29, 2019, 2019/16.

the country predate the Arab Spring of a decade and can be attributed to the unwillingness of the existent economic network to expand beyond its traditional composition.³⁵⁴

Considering the Arab Spring an enabling environment for those alienated and opposition movements to express and promote their alternative political views, in Libya, Syria and Yemen the state's exclusive bargain model and centralized economic behavior seems to have played a central role in the rebel's narratives, negatively impacting the state's legitimacy.

Hypothesis 2: Rebel orders that promote inclusive bargain models and challenge the state to alter the relation between state and society are more likely to be legitimized by local elites as alternative systems to the one of the states.

Inquiring into the second Hypothesis has been less straightforward than the first one.

In fact, in the absence of a clear governance model of the HoR-LNA³⁵⁵ forces in Libya and in the presence of a hybrid form of government on the Houthis side in Yemen³⁵⁶, assessing the nature of the Rebel's bargain models has been a hard probe.

In the Yemeni case, despite the Houthis takeover has been portrayed as reactionary to Hadi's unsuccessful transition process, the rebel's governance model has shown lesser inclination for transparency and inclusion than the previous ones.³⁵⁷ In fact, during their brief alliance with the former Regime the Houthis have injected the state and parastatal apparatuses with Houthis-affiliated civil servants, forced the GCP and its members into exile and promoted predatory

³⁵⁴ Durac, V. (2011). The Joint Meeting Parties and the Politics of Opposition in Yemen. *British Journal of Middle Eastern Studies*, 38(3), 343–365.

³⁵⁵ El Kamouni-Jassen, F., Shadeedi, H., Ezzeddine, N. (2018). Local Security Governance in Libya. Perceptions of Security and Protection in a fragmented Country. CRU-Report, Clingendael, Netherlands Institute of International Relations.

³⁵⁶ Salisbury, P. (2017). Yemen: National Chaos, Local Order. Chatham House.

³⁵⁷ Ibid.

tactics.³⁵⁸ Since 2015 the Houthis have shown a predilection for opportunistic modalities and short-term solutions like their alliance with their former enemy and their alleged ties with Aden-affiliated militias for the provision of resources, weaponry and aid supplies.³⁵⁹ Furthermore, the Houthi government does not substantially extend beyond traditionally Zaidi homeland territories and therefore does not enjoy substantial legitimacy from other constituencies in Yemen³⁶⁰. All these elements suggest a disinterest in governance and in the implementation of an alternative redistribution system further enhanced by a widespread profiteering logic that directly targets the civilian population. In other words, in the Yemeni case there is no suggestion of an alternative governance model that promotes inclusivity. What is interesting to note is that despite the Houthis lack of interest in the country's needs, the lack of an alternative has led local minorities and constituencies in Houthi-controlled territories to settle for the Houthi (governance) model.³⁶¹ Once again, this behavior seems to be nevertheless in line with Lindeman, Bueno de Mosquita and Kalyvas arguments according to which in the absence of a valid option elites tend to choose the status quo rather than change. The issue at hand is whether this behavior qualifies as legitimacy or not. Given the disinterest in altering the status quo between state and society, I consider the second element of legitimacy not subsistent and therefore the second Hypothesis null in the case of Yemen.

Likewise, in the case of Libya the assessing whether the second hypothesis is corroborated is less candid. In Eastern Libya the LNA-HoR governance model relies on local actors for administrative and security matters with varying degrees of affiliation to the former.³⁶²

³⁵⁸ Alley, April, L. (2018). Collapse of the Houthis-Saleh Alliance and the Future of Yemen's War. International Crisis Group.

³⁵⁹ Sana'a Center for Strategic Studies (2018). Policy Brief: Corruption in Yemen's War Economy. November 5, 2018.

³⁶⁰ DeLozier, E. (2019). In Damning Report, UN Panel Details War Economy in Yemen. The Washington Institute for Near East Policy, Policy Watch 3069.

³⁶¹ Salisbury, P. (2017). Yemen: National Chaos, Local Order. Chatham House.

³⁶² El Kamouni-Jassen, F., Shadeedi, H., Ezzeddine, N. (2018). Local Security Governance in Libya. Perceptions of Security and Protection in a fragmented Country. CRU-Report, Clingendael, Netherlands Institute of International Relations.

Nevertheless, unlike the Houthis, the decentralized approach has allowed the LNA-HoR axis to extensively navigate Libya's constituencies and therefore expand its territorial character. This is not to suggest that all Libyans residing in LNA-controlled areas necessarily support Haftar, rather to suggest that at a local level constituency in charge of administrative and security institutions perceive Tobruk's establishment more viable than Tripoli's. In these terms Haftar's rebel government seems to represent an alternative to the GNA for those neglected and ousted by the new government³⁶³; however, when compared to the Regime, similarities between Tobruk's political economy and Gadhafi's arise.³⁶⁴ Going back to the Hypothesis I consider the conditions set above as met by the Libyan case. By actively negotiating with different constituencies and local entities around the country, Tobruk promotes a more inclusive stance than Tripoli, and its efforts to normalize its political economy by instituting novel regional economic institution – the Benghazi Central Bank, the LPTC, the General Mobilization Authority, the Authority for Investment and Public works- it challenges the centralized modalities of Tripoli's economic institutions.³⁶⁵

The Second Hypothesis is also corroborated in the case of Syria in the terms that the AANES seems to be accommodating those constituencies that have been undermined by the new political economy of the state, like the rural Sunni constituencies, or those traditionally rejected by the Regime like in the case of the Kurds. By promoting a decentralized governance model that allows local constituencies to self-rule on local matters the AANES is perceived as an alternative as it integrates economic, social and political preferences of the constituencies it

³⁶³ Pack, J. (2019). Kingdom of Militias. Libya's Second War of Post-Qadhafi Succession. ISPI.

³⁶⁴ El Kamouni-Jassen, F., Shadeedi, H., Ezzeddine, N. (2018) Local Security Governance in Libya. Perceptions of Security and Protection in a fragmented Country. CRU-Report, Clingendael, Netherlands Institute of International Relations.

³⁶⁵ Noria Research (2019). Predatory Economies in Eastern Libya. The Dominant role of the Libyan National Army. Global Initiative Against Transnational Organized Crime.

serves.³⁶⁶ Moreover, despite the AANES is Kurdish-dominated³⁶⁷ and it systematically rejects new economic realities, it has no claims over the central government— other than that of the ousting of the Al-Assad dynasty - although it's not completely independent as it does rely on the national banking and fiscal systems.³⁶⁸ These elements together with the relatively stable and definite territorial character of the Administrative Authority, suggest that the AANES seeks to alter societal dynamics within Syria by promoting a federalist governance model rather than a centralized one. For these reasons I consider the second Hypothesis corroborated by the Syrian case.

Hypothesis 3: Rebel orders that are capable of monopolizing violence over a given territory and can implement governance models are more likely to be legitimized by elites as alternative systems to the one of the states.

For the third Hypothesis, understanding the territorial extent and character of the parties' war economy becomes essential. Not only because territoriality has been traditionally attributed as an essential character of a political community³⁶⁹, but because according to literature a territorial character entails a sustained interchange between a political authority and a population and therefore war economies can be indicative of societal dynamics. In these terms lack of clarity over a party's governance models can be overhauled by looking at the way the actors organize economically as war economies can be representative of the actor's hold over violence.

³⁶⁶ Yazigi, J. (2014). Syria's War Economy. European Council on Foreign Relations, Policy Brief.

³⁶⁷ Hatahet, S. (2019). The Political Economy of the Autonomous Administration of North and East Syria. European University Institute, Wartime and Post-Conflict in Syria (WPCS), Research Project Report November 29, 2019, 2019/16.

³⁶⁸ Ibid.

³⁶⁹ Sack, R.D. (1986). Human territoriality: its theory and history. Cambridge, Cambridge University Press.

In Libya and Yemen, where the Rebel's governance model is less clear, the specifics of the Rebel's war economies has provided valuable insight. If in the case of Libya, the rebel's organization of the war economy revolves around challenging the centrality of Tripoli's economic institutions by channeling resources and foreign aid into the creation of parallel (semi)legal economic institutions,³⁷⁰ in Yemen the Houthis war economy revolves around predation of state's resources and relies on profiteering modalities.³⁷¹ In both cases territoriality is given *in primis* by the monopoly over the use of force, however in the case of Libya the de-centralized character of governance has entailed lesser direct control over violence by the rebel institutions that rely on local actors.³⁷² Whereas in Yemen the security apparatus has been injected with Houthi's loyalists since 2014 and is now under direct control of the rebel government that uses it to defend its territorial entity and acquire resources to maintain it. 373

On the other hand in Syria the AANES' tight control over the monopoly of violence seems to have enabled a more civilian-centered war economy as it relies on a highly regulated network of economic activities thought to generate revenue for the public welfare.³⁷⁴ In fact, although in the case of Libya we also witness a will of the LNA-HoR to normalize its economic institutions in Cyrenaica,³⁷⁵ when compared to the Syrian case we see the AANES actively involved in the development of the region's economic activities with investment in

³⁷⁰ Noria Research (2019). Predatory Economies in Eastern Libya. The Dominant role of the Libyan National Army. Global Initiative Against Transnational Organized Crime.

³⁷¹ Salisbury, P. (2017). Yemen: National Chaos, Local Order. Chatham House.

³⁷² El Kamouni-Jassen, F., Shadeedi, H., Ezzeddine, N. (2018). Local Security Governance in Libya. Perceptions of Security and Protection in a fragmented Country. CRU-Report, Clingendael, Netherlands Institute of International Relations.

³⁷³ Sana'a Center for Strategic Studies (2018). Policy Brief: Corruption in Yemen's War Economy. November 5, 2018.

³⁷⁴ Hatahet, S. (2019). The Political Economy of the Autonomous Administration of North and East Syria. European University Institute, Wartime and Post-Conflict in Syria (WPCS), Research Project Report November 29, 2019, 2019/16.

³⁷⁵ Noria Research (2019). Predatory Economies in Eastern Libya. The Dominant role of the Libyan National Army. Global Initiative Against Transnational Organized Crime.

infrastructure and the creation of statal and parastatal jobs.³⁷⁶

In conclusion, the Syrian and Libyan case corroborate the third Hypothesis because the monopoly over violence that the political authority retains it is the outcome of a specific bargain model according to which in exchange for goods and services, access to state and parastatal position or preferential access to resources and institutions grant legitimacy to the former.³⁷⁷

Whereas in the case of Yemen the third hypothesis is null as the monopoly over violence is the outcome of Houthis predatory tactics that has led them to retain access and control of the former's state security enabling a transfer of administrative power but not a transfer of legitimacy to the new government.³⁷⁸

11. Conclusion

The research aim of this dissertation has been that of answering the question: Do Economic Policies of the State impact rebel's legitimacy during conflict?

As we have seen in the theoretical framework Elitist theorists adopt a definition of legitimacy that allows for actors other than the state to acquire and enjoy legitimacy as long as they perform "functions of statehood"³⁷⁹-monopoly over the use of force, legitimacy and rule of law- and retain control over the social interactions of a society. On this trend, Bueno de Mosquita argues that when the interaction between the Selectorate and the Winning Coalition is purely clientelist, meaning that an established system of loyalties is the institution through

³⁷⁶ Yazigi, J. (2014). Syria's War Economy. European Council on Foreign Relations, Policy Brief.

³⁷⁷ Rubin, Michael A. (2018.) Rebel Territorial Control, and Political Accountability in Civil War. Evidence from the Communist Insurgency in the Philippines, Columbia University.

³⁷⁸ Alley, April, L. (2018). Collapse of the Houthis-Saleh Alliance and the Future of Yemen's War. International Crisis Group.

³⁷⁹ Bueno de Mosquita, B., Smith, A., Silverston, Randolph M. (2005). The Logic of Political Survival. MIT Press Books, The MIT Press, edition 1, volume 1, number 0262524406, September.

which leaders in office are chosen and political decision taken, then that political system qualifies as neopatrimonial.³⁸⁰ Similarly, Bratton and Walle contend that political and social institutions of neopatrimonial system are not necessarily formal, tend to reflect the interest of the Winning Coalition, and are designed to ensure the Selectorate's survival.³⁸¹ In other words, in neopatrimonial systems legitimacy becomes the outcome of a bargain where specific constituencies enjoy preferential access to goods and services provided by the state and where the political authority is deemed as statutory. Based on these theories this dissertation has focused on understanding the relationship between civil war and rebel legitimacy by developing a model that inquiries into a possible causal link between neopatrimonial economic systems, wars, and rebel's legitimacy. First, I have tried to assess the nature of the Regimes economic policies by adopting the Elitist approach that suggest that the starting point to understanding the nature of a system policies should be identifying how internal and external relations (if any) are organized. In doing so I have formulated a hypothesis that by inquiring on the elite's access to state structures and resources places each regime on a spectrum where on one end we find exclusive elite bargains and highly centralized systems, while on the other we find inclusive and decentralized political regimes. Drawing on research conducted on African regimes by authors like Bueno de Mosquita,³⁸² Lindemann³⁸³ and Rubin³⁸⁴, the general expectation is that those political systems that display centralized systems of production and have exclusive intersocietal relations are more likely to experience legitimacy crisis and the emergence of challengers. Whereas

³⁸⁰ Ibid.

³⁸¹ Bratton, M., and Van de Walle, N. (1994). Neopatrimonial Regimes and Political Transitions in Africa. *World Politics*, vol. 46, no. 4, 1994, pp. 453–489.

³⁸² Bueno de Mosquita, B., Smith, A., Silverston, Randolph M. (2005). *The Logic of Political Survival*. MIT Press Books, The MIT Press, edition 1, volume 1, number 0262524406, September.

³⁸³ Lindemann, S. (2008). *Do Inclusive Elite Bargains Matter? A Research Framework for Understanding the Causes of Civil War in Sub-Saharan Africa*. Development Studies Institute, Crisis State Discussion Papers, February 2008.

³⁸⁴ Rubin, Michael A. (2018). *Rebel Territorial Control, and Political Accountability in Civil War. Evidence from the Communist Insurgency in the Philippines*, Columbia University.

inclusive and decentralized systems are less likely to face opposition and see their legitimacy questioned because more accommodating towards society.³⁸⁵

A second step has been that of assessing the nature of the rebel's political systems to allow a comparison between Regimes and Rebel organizations. To enable the comparison, I have chosen to use the same theoretical lenses used in the analysis of the Regimes to assess the nature of the Rebel's political organizations and structures. To be able to fully compare state and rebel bargain models, I have incorporated into a third hypothesis the extent and intensity of the rebel's territorial presence. In fact, as territoriality features next to legitimacy as one of the traditional trademarks of governance, I have argued that literature on rebel governance provides extensive research on the modalities through which the rebel authorities interact with the local population and establish their monopoly over violence and how these can affect their perceived legitimacy by local constituencies.³⁸⁶ Given the limited scope of this research I have decided to adopt a Comparative Case Study methodology and have chosen to compare the Syrian, Libyan and Yemeni cases to ensure sufficient comparability among the cases. This research findings argue that in the Yemeni, Libyan and Syrian cases government's economic behaviour have impacted each country's political scenario to the point of allowing competitors to arise and challenge the central government. Although displaying substantial differences in the bargain modalities of the three regimes, the first hypothesis is corroborated in all three cases, entailing that by limiting and selecting constituencies access to state structures and resources have in fact allowed alternative political models to pace their way among those elites that would have had less to lose from a regime change. This dynamic is especially noticeable in the Syrian case where to ensure regime survival the Syrian establishment reversed the state economic stance and opted for a new business elite, a

³⁸⁵ Bueno de Mosquita, B., Smith, A., Silverston, Randolph M. (2005.) *The Logic of Political Survival*. MIT Press Books, The MIT Press, edition 1, volume 1, number 0262524406, September.

³⁸⁶ Sack, R.D. (1986). *Human territoriality: its theory and history*. Cambridge, Cambridge University Press.

decision that has enraged the traditional rural elites that have now opted for an agro-industrial-focused economy under the AANES. This second dynamic is also salient in the case of Libya where united by political and historical grievances those constituencies not included in the post-Gadhafi political arena have opted for Haftar's decentralized model. These elements seem to yield the rebel administrations legitimacy at least from those constituencies neglected or rejected by the central state. On the other hand, in Yemen the dominant stance of the Houthis, the general disinterest in implementing a governance model and the lack of substantial territorial presence outside traditional Zaidi homeland territories seem to explain the lack of legitimacy of the rebels. Although the second and third hypothesis are not corroborated by the Yemeni case, this case can still be taken as an example of what happens when non-state actors take over government institutions with a profiteering logic and therefore do not represent an alternative to the central state. Sobek and Payne call these conflict wars of replacement where the rebel's goals is to take over existing institutions rather than to alter intra-state dynamics.³⁸⁷ Therefore, despite the Houthis takeover has been portrayed as reactionary to the Saleh regime – and the first hypothesis corroborated-, the second and third hypothesis are null which once again can explain the lack of legitimacy of the Houthis outside Zaidi echelons.

By converging the main theoretical considerations on the topic of Rebel governance conducted by Bueno de Mosquita, Olson, Button and Walle, and Rubin into three hypotheses, the goal of this thesis has been that of presenting a case study on Rebel governance with a focus on economic behavior in the hope of providing a theoretical contribution to the existing literature. In this thesis I have investigated one hypothesized consequence of government's exclusive

³⁸⁷ Sobek, D. Payne, Caroline L. (2010). A Tale of Two Types: Rebel Goals and the Onset of Civil Wars, *International Studies Quarterly*, Volume 54, Issue 1, March 2010, pp. 213–2.

bargain models: increased rebel legitimacy. In trying to answer the research question this work has shown that during a conflict government's economic choices can impact rebel's legitimacy, and that overall rebel governance needs to abide to the same rules of traditional governance if it wants to achieve legitimacy. In doing so, this thesis provides a number of contributions to the existing research. First, it provides a preliminary yet descriptive test of some of the main theoretical assumption regarding rebel governance in neopatrimonial systems. Secondly, it offers an insight on why government economic behaviour could seem to enhance rebel's legitimacy. And third, in line with the literature this thesis draws on, it questions more traditional understandings of legitimacy and of governance further contributing to a literature that calls for greater theorization of an actor-centric approach. One theoretical implication of arguing that rebels undertake a specific economic system as the outcome of a cost-benefit analysis where legitimation is the consequence of a specific bargain model with local constituencies, is that this potentially opens up a new range of reasons that could explain why certain rebel groups prevail over others in civil wars in challenging the state. This highlights venues for further work as this thesis has limited its analysis to the two main rivalling entities, rather for the broaden spectrum of actors engaged in conflict. Further work could also be conducted by contextualizing these conflicts in a broaden regional (and global) context where power dynamics that might render alternative or complementary explanation to the observed phenomena are considered. For example, the involvement of Russia as a firm backer of the rebel regimes, and the heavy involvement of regional actors like Turkey and Iran that could leverage on shared historical and religious identities might skew the perception of legitimacy of an actor over the other for geopolitical rather than purely domestic reasons.³⁸⁸ Likewise, additional studies could expand the research domestic scope to account for the

³⁸⁸ Tokdemir, E. (2020). Feels like home: Effect of transnational identities on attitudes towards foreign countries. *Journal of Peace Research*. October 2020.

emergence and legitimacy of other local actors currently engaged in in the Libyan, Syrian and Yemeni conflict but also to expand the regional scope to those African, Asian and South American active conflicts where the state is engaged in an open competition over governance with non-state actors.

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