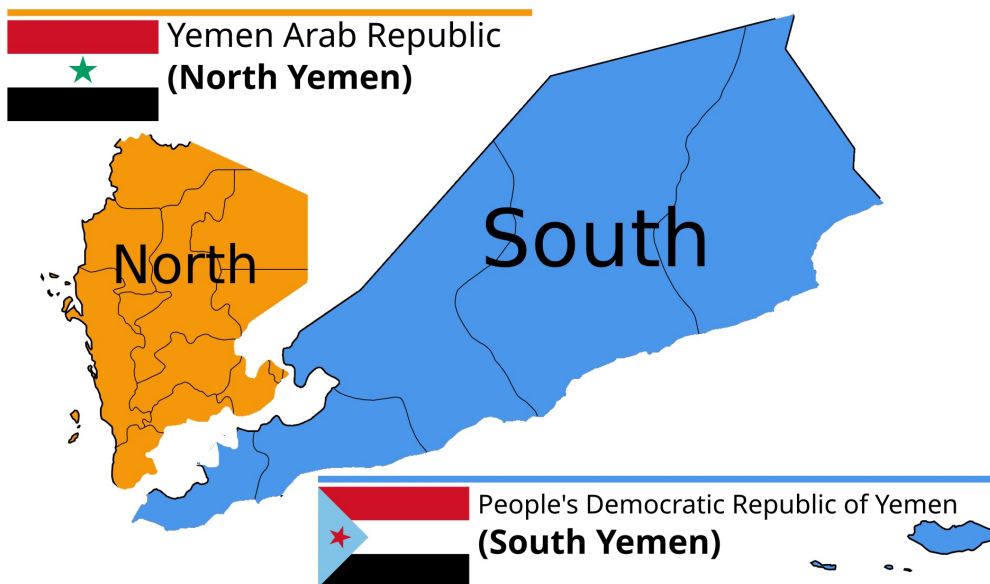


## South Yemen Update



### Two state solution: the only way ahead for Yemen



systematically recruited thousands of children to fight in their war, indoctrinating them in militant ideology and sending them to

the frontlines. A 2022 United Nations Panel of Experts report documented over 1,400 children recruited in a single year. Human Rights Watch condemned this practice, noting, "The Houthis have turned schools into recruitment centres robbing boys of their childhoods and forcing them to fight in a war they neither started nor understand."

The call for a two state solution in Yemen is not a call for division – it is a call for realism which can restore hope, finally bring peace to a fractured land and stability to a volatile region.

The recent introduction of a 50-riyal coin by the Houthis in north Yemen is a lot more than just an economic manoeuvre: it is an unmistakable step towards a full-fledged financial secession and the consolidation of de facto statehood. It represents yet another violation of the fragile notion of national unity, as the Houthis tighten their grip over economic institutions, expand their separate legal frameworks, and undermine any prospects for a unified peace. Far from acting as partners in reconciliation, the Houthis are the belligerents intent on cementing their own state, with regional and international implications that extend well beyond

Yemen borders.

The Houthis have not only rejected any future southern state—they have openly declared their ambitions to rule over the entire Yemeni state. Their refusal to consider federalism or any form of a two-state solution further endangers peace and regional stability. Their ambition for total control, coupled with a hard-line theocratic ideology, akin to that of the Taliban in Afghanistan, will only fuel further extremism and drive Yemen deeper into sectarian conflict. Nadwa Dawsari an associate fellow at the Washington-based Middle East Institute warned: "The Houthis are not just another armed group—they are an ideologically driven militia that sees compromise as defeat. Their goal is total domination, not peace."

This uncompromising stance accompanies grave human rights abuses. The Houthis have

Further, the Houthis have targeted international aid workers and institutions. In 2023 and 2024, they detained multiple staff members from the United Nations and NGOs on baseless espionage charges, drawing international condemnation. UN Secretary-General António Guterres called for their "immediate and unconditional release," emphasizing that these arrests jeopardize vital humanitarian efforts in a country where 70% of the population depends on aid. Former UN Special Envoy to Yemen Martin Griffiths called the arbitrary detention of aid workers a "flagrant violation of international law and a direct threat to humanitarian principles."

These violations illustrate why the Houthis cannot be considered legitimate peace partners. Their expansionist agenda, systemic

human rights abuses, and rejection of pluralism make them fundamentally incompatible with one democratic, inclusive Yemeni state.

This hard reality forces the international community to confront what many have long avoided: a unified Yemen under a single central government is no longer a tenable goal. Sadly the UK government is still talking about the Internationally Recognised Government (IRG) as the only political institution with whom it can do business. Dreaming about a united Yemen is a *fata morgana* - a sustainable peace lies in embracing the realities on the ground—most notably, the existence of a functioning, organized southern movement led by the Southern Transitional Council (STC), which controls significant territory and commands broad public support.

The STC has demonstrated administrative and security capabilities and has consistently expressed its readiness to cooperate internationally to build a viable southern state. It is suffocated by the inability to export oil as the Houthis are targeting oil tankers leaving southern ports.



*Aidarous Al-Zubaidi of the President STC*

In May this year the IRG announced economic losses amounting to \$7.5 billion since the cessation of oil and gas exports in October 2022, due to the Houthis targeting oil installations, which has affected 90% of exports and 80% of the general budget revenues.

Yemen's Permanent Representative to the United Nations, Ambassador Abdullah Al-Saadi, blamed the Houthis for deepening the humanitarian crisis and the collapse of the national currency, which disrupted the payment of salaries and the funding of basic services.

STC President Aidarous Al-Zubaidi has been a vocal advocate for southern independence on the world stage. In his June 23, 2023 interview with *The Guardian*, Al-Zubaidi underscored the "deep and enduring desire of the southern Yemeni people to reclaim their sovereignty" and called on the international community to recognize the irreversible realities on the ground. He lamented that decades of neglect and political marginalization have driven southerners to seek independence as the only viable path to peace and prosperity. Al-Zubaidi emphasized that the south is not just seeking to break away but to build a stable, democratic, and economically thriving state that can be a partner in regional and international security.

Supporting this vision, Nasser Alkubaggi, a prominent STC figure, has articulated a clear and pragmatic vision for a two-state solution. In discussions with the German based Friedrich-Ebert-Stiftung (FES) Institute which

promotes the core ideas and values of social democracy, Alkubaggi stressed the importance of economic development and capacity-building in the south as an essential component for sustainable peace. He argued that without empowering southern institutions and creating economic opportunities, no political solution can succeed. Alkubaggi envisions a southern state that leverages its rich resources, strategic ports, and entrepreneurial population to become a beacon of development and stability in the region, serving as a counterbalance to the turmoil in the north.

The case for southern autonomy and eventual



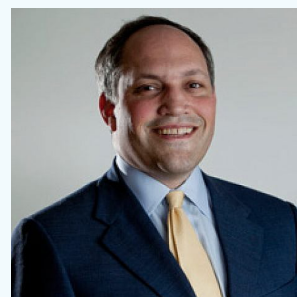
*Dr Abdulgalil Shaif*

independence is also substantiated in the work of Dr. Abdul Galil Shaif, STC representative in Geneva and author of the book *South Yemen: Gateway to the World*. Shaif's detailed research highlights the political and economic viability of an independent

South Yemen. He writes, "A Southern Yemeni state could offer a real alternative to the corrupt and failed structures of the past. It could build a competent and transparent government focused on economic stability and development." Shaif further argues that Aden, with international support, could become a regional commercial hub, on par with the UAE, modernizing its port infrastructure and restoring its global partnerships.

Journalist Karen Dabrowska speaking at a recent briefing in the British Parliament organised by Abtisam Mohammed MP a member of the Foreign Affairs Committee expressed bewilderment that the STC has not declared independence outright to "push the international community to a new reality." At the briefing *Understanding the Crisis in Yemen: Challenges and pathways to peace*, Dabrowska said that the only viable solution to Yemen's intractable problems was a unilateral declaration of independence.

Many analysts see international reluctance to acknowledge southern aspirations as a key obstacle to ending the devastating conflict that began in 2014 when the capital, Sanaa, already destabilized by the Arab Spring uprising that began in 2011, was overtaken by the Houthis.



*Michael Rubin, American Institute*

Michael Rubin, senior fellow at the American Enterprise Institute, highlights the strategic importance of recognizing the south's legitimate ambitions. "Given its long history of accepting the dissolution of unhappy unions, the United States' refusal today to recognize South Yemen is an anomaly," Rubin notes.

He argues that a Southern Yemeni state would serve as a stabilizing force—securing critical maritime routes like Bab el-Mandab, countering Houthi expansion and Iranian influence, and aligning strategically with Gulf and Western interests.



The international community need not immediately grant full diplomatic recognition for a southern state to function effectively. Comparable models—such as Somaliland and Iraqi Kurdistan—demonstrate that significant political autonomy and institutional development can occur without full international recognition. Somaliland has operated with near-complete sovereignty since 1991, maintaining its own government, currency, elections, and legal system, despite remaining formally part of Somalia. Similarly, the Kurdistan Regional Government controls its own security forces and foreign relations within Iraq's federal framework.

Such examples offer a pragmatic path forward for Yemen: phased sovereignty, where autonomy precedes full recognition, can allow the south to build institutions, foster stability, and attract investment, especially in the fishing and tourism sectors, while providing time for the international community to adjust to the new reality of an independent southern state. In stark contrast, the Houthis' vision threatens to plunge Yemen—and the broader region—into deeper conflict and chaos. Their outright rejection of a southern state and their expansionist ambitions, combined with egregious human rights violations, including child soldier recruitment and imprisonment of humanitarian workers, exacerbate instability as does their continued attacks on Israel and shipping in the Red Sea. As regional analyst Sarah al-Majed recently stated, "The Houthis' zero-sum approach threatens to ignite broader sectarian conflicts and destabilize a critical region for global trade and security."

The stakes could not be higher. Yemen's future depends on pragmatic recognition of the two-state reality on the ground. To continue ignoring this will only deepen the suffering of millions, prolong the war, and create a fertile ground for extremism that imperils the entire region and beyond.

A durable peace in Yemen can only be achieved by acknowledging the legitimate aspirations of the south, empowering its institutions, and negotiating a political settlement based on mutual recognition. The international community must abandon outdated policies and embrace a new paradigm—one that fosters a viable southern state as a partner for peace, development, and regional security.

*Dr Abdul Galil Shaif*

## Yemen's Crisis Demands a Rethink of Strategy — Not More Airstrikes

The war in Yemen drags on as the Houthis hold the north and the Southern Transitional Council controls much of the south. Foreign airstrikes keep hitting Houthi targets but fail to shift the balance. A real peace needs talks that include all major groups and reflect Yemen's divided ground reality.

The war in Yemen has dragged on for nearly a decade. Despite thousands of airstrikes, military operations, shifting alliances and failed international peace initiatives, the conflict remains unresolved. It is fragmented and dangerously misunderstood. Most global attention focuses on headline events: missile launches in the Red Sea and Israel, drone attacks and the strategic calculus behind US and Israeli airstrikes. But to understand Yemen's crisis and create a path out of it, we must move beyond military tactics and grasp the deeper forces driving this dangerous conflict.



*American Airstrikes on North Yemen*

Since the Arab coalition's military intervention in 2015, and more recently with US-led strikes against the Houthis and Israeli attacks on civilian infrastructure, efforts to contain or weaken the Houthis by force have continued. These efforts have failed to produce the intended outcomes. The Houthis remain deeply entrenched, especially across northern Yemen, including the capital Sanaa. In many cases, they have strengthened their position by using these attacks to rally public support.

We must reaffirm what many analysts and officials ignore. The Houthis are a northern, Zaydi Shiite movement. Their power lies in the north, not the south. They have imposed themselves on the northern population by force. They believe they have a divine right to rule the country.

Military strikes may disrupt attacks on shipping lanes. They do not address the reasons behind the Houthis' rise or the political and social conditions that sustain their rule. Yemen's war will not be resolved from 30,000 feet above. It needs political engagement and a faster peace process with real goals and intentions.

Military responses may prolong the conflict. These actions embolden the

Houthis, encourage broader armed mobilization and shrink the already limited space for diplomacy. They help the Houthis reinforce their claim as a resistance force fighting foreign intervention. This claim has helped them gain sympathy both

locally and internationally. Some argue that the bombing campaign has allowed them to present themselves as victims rather than aggressors.

### So what is the alternative?

The international community must change its strategy. Targeted pressure through sanctions and limited military measures can play a role. But pressure without a political roadmap will fail. It will not bring the Houthis to the negotiating table. It will push them into isolation.

We need a political formula that weakens the Houthis enough to make negotiation possible and recognizes Yemen's new realities. This is no longer a two-sided conflict. It has multiple centers of power. Each center has its own legitimacy, audience and military strength.

One of the most important and often neglected of these centers is the Southern Transitional Council (STC). After the Houthis invaded the south in 2015, the STC could have chosen a path like the Houthis. Instead, they worked with the international community to pursue a peaceful resolution. Many of their supporters now question whether that was the right choice.

The STC is not a marginal player. It represents the hopes of millions in the south who seek independence or autonomy. It has military power and enjoys popular legitimacy in many southern areas. It helped defeat the Houthis' 2015 push into the south. In doing so, it succeeded where others with international recognition and regional backing failed.

Excluding the STC from future peace talks invites more instability. A peace agreement that ignores the south will set the stage for another war between the north and the south. This is not a theory. It is a threat with deep historical roots and current force. Any lasting settlement must include the STC as an equal party with the Houthis, the internationally recognized government and other regional players. This is not just a matter of fairness. It is a strategic need. Without the south, peace in Yemen will be partial, fragile and short-lived.

The international community must consider alternatives to the old model of centralized unity. A two-state solution should be an option. At the very least, Yemen needs a deeply decentralized federal system. The current structure is broken. Forcing unity through a centralized government that lacks legitimacy in much of the country is not realistic.

### A broader vision for peace

The US must lead. Washington has the leverage to influence local and regional players, especially Saudi Arabia and the United Arab Emirates, and push them toward an inclusive and realistic political roadmap.

The US must stop relying on military force and support a diplomatic strategy that aims for long-term stability. The centralized unity project has failed. Recognizing realities on the ground will not weaken peace. It will make peace possible.

This shift will serve American and international interests. It will help secure Red Sea shipping lanes, reduce Iranian influence and restore US credibility as a force for peace. As the US repositions its role, the UN must also reassess its performance. Its mediation efforts have not produced major results. To be a real mediator, the UN must speed up negotiations, apply diplomatic pressure and expand the peace effort to include all major parties.

The current peace effort and its supporting resolutions are outdated. They do not reflect the actual distribution of power in Yemen. Without changes, they will not produce real results.

Western governments, especially the US and European allies, must coordinate closely. Supporting Yemen's future requires more than a truce, humanitarian aid or prisoner swaps. It means rebuilding institutions, creating systems for fair resource sharing and supporting dialogue among all political forces, especially those tied to external actors. It also means working with Saudi Arabia and the United Arab Emirates, who still hold great influence over Yemen's political and military affairs. Airstrikes will not end Yemen's crisis. Neither will excluding uncomfortable actors. We will reach peace through serious diplomacy, smart pressure and honest recognition of who holds power on the ground.

We must apply enough pressure to bring the Houthis to the table. But we must also make sure the table includes all key parties, especially the Houthis and the STC. Without this balance, we will not create peace. We will only delay the next war.

Dr Abdul Galil Shaif



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