



Wa3i Youth Platform

Wealth Inequality (Wealth- Power- Income) and their Repercussion on Economy and Yemeni Citizens

Legal Report





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Executive Summary

The construct of inequality evolved from the traditional and result-oriented perspective where income is used as an alternative to welfare. Opportunity-oriented perspective determines that birth conditions necessarily impact life results and equal opportunity requires a fair starting point for everyone. Historically, the development theory is concerned was not concerned with income inequality, as much as it affected the economic growth of the average national income.

Yemen is one of the poorest countries in the world, and about 80% of the total population lives under the poverty line⁽¹⁾. Since the outbreak of the current conflict in 2015, Yemeni people have been suffering from an acute economic crisis and a significant rise in the rates of poverty, unemployment, poor health services, increasing crimes, and larceny in the Yemeni society.

The primary objective of this study is to explore the impact of wealth inequality (power, opportunities, income) and its repercussion on the economy and Yemeni people. The study utilized the analytical descriptive method for data collection because it was the appropriate one. It described and interpreted the research topic. The study presents the recommendations to resolve the problem under discussion. The study used the questionnaire and interviews, conducted by the research team for the data collection. Also, the study utilized secondary sources such as books, journals, and previous studies in the literature, etc.

The study found some notable results. Wealth inequality negatively impacts the Yemeni people's life in various forms (social, cultural, political, economic, etc.). Wealth inequality led to Yemenis migrating to many neighboring countries and various countries all over the world, especially America and Europe. Wealth inequality created a large economic gap between classes, increased poverty and unemployment, the current conflicts and wars especially during the years 2015 and afterward up to this year.

The present study recommends developing a transparent mechanism for equitable wealth and social equality amongst the different classes of society. Humans should be given the top priority as the lifeblood of the economy and society. The study recommends that meticulous measures should be taken to prevent the accumulation of wealth at the hands of a few categories of the society. Equal opportunity principles should be implemented.

1 Humanitarian Needs Overview Yemen (February 2021) www.unocha.org/yemen1



Introduction:

Wealth inequality needs international discussion. Some nations enjoy oil resources, others water resources, still others enjoy human capital while some countries are almost poor because of the scarcity of resources and their potentials. The distribution disparity of different resources affects the economic index. The overarching goal of the economy is presenting solutions that ensure citizens' welfare. Resources equitable distribution is one of the most sought-after solutions for the citizens.

Overview about Yemen:

Geographical Location:

Yemen is located in the southwestern part of the Arabian Peninsula, that is, in southwest Asia. It overlooks the Bab al-Mandab Strait, which connects the Arabian Sea with the Red Sea, making it one of the major waterways in the world. The spread of Yemeni islands along the Arabian Sea, the Gulf of Aden, and the Red Sea compound significance of the location of Yemen. Yemen borders the Kingdom of Saudi Arabia from the north, the Gulf of Aden and the Arabian Sea from the south, and Oman from the east, and the Red Sea from the west⁽²⁾. According to international reports, the population of Yemen is about 30 million and 800 thousand people⁽³⁾. Yemen consists of twenty-two (22) governorates. Sana'a is the capital of Yemen, but the capital was shifted to Aden Governorate due to the current conflict.

Yemeni Islands

Yemen has many islands in territorial Yemen's waters. They have typical topographic relief, climate, and environment. Most of Yemen's islands are located in the Red Sea including Kamaran Island, which is the largest inhabited island in the Red Sea, Hanish Archipelago, and Perim Island of a strategic location in the Strait of Mandab, the southern gateway of the Red Sea. In the Arabian Sea, Socotra Archipelago is the most important and it consists of Socotra, Samha, Darsa, and Abd al-Kuri islands. Socotra Island is the largest in this archipelago and it features abundant biodiversity with flora of about 680 species.

² Geography and environment. National Information Center.

³ Humanitarian Needs Overview Yemen (February 2021) www.unocha.org/yemen3



Resources

Oil

Yemen holds sufficient resources of oil and natural gas to meet the country's domestic needs. Although some oil resources are exported, Yemen is not considered a major oil producer compared to other countries in the Middle East⁽⁴⁾. Currently, oil is the main source of revenues for the Yemeni government, accounting for 70-75% and it makes up approximately 90% of Yemen's total exports⁽⁵⁾. It is noteworthy that Yemen holds more than 4 billion barrels of oil reserves. Further, Yemen is endowed with 490 billion cubic meters of natural gas reserves according to a 2010 report. The first liquefied natural gas plant was established in the Balhaf region in 2009⁽⁶⁾ and Yemen exported approximately 6.9 billion cubic meters of natural gas in 2010.

According to international reports published by the UAE SKy News channel, some newspapers, and news websites, Yemen has oil lakes, especially in the governorates of Hadramout and Ma'rib. Although Yemen holds large oil reserves, they have not yet been discovered.

Ma'rib Governorate is one of the most ancient and important Yemeni regions. It also used to have an ancient civilization, so it is a tourist attraction for many tourists who are interested in learning about ancient civilizations. This historical heritage is a revenue source for the governorate as well. The size of Ma'rib is 17,000 square kilometers. It is about 170 Km away from Sana'a. Ma'rib is adjacent to the coastal governorates of Shabwa and Hadramout on the Arabian Sea towards the east. From the south, Ma'rib is adjacent to the governorates of Al-Bayda and Shabwa. Towards the southwest, Ma'rib borders parts of the Bani Dabyan District, northeast of Sana'a Governorate⁽⁷⁾.

Mineral Resources

Yemen holds huge mineral resources including silver, gold, copper, zinc, cobalt, and nickel.

Many companies have been licensed to prospect for deposits of minerals. The Canadian Cantex Mine Development Corporation has been exploring deposits of gold in Al-Hariqah deposit since 2010. Thani Dubai Mining Ltd. in the United Arab Emirates has found some deposits of gold in Charis Valley, which is estimated to produce 7 grams of gold per ton. It is estimated that Yemen holds 40

4 International - U.S. Energy Information Administration (EIA)

5 What Are The Main Natural Resources of Yemen? And Its Impact on the Economy - CAVEO Blog caveo.com.kw

6 What Are The Major Natural Resources Of Yemen? - WorldAtlas

7 Yemen's Marib..The Third Capital and Reserve of wealth. almayadeen.net



deposits of gold and silver. The Maiden region holds the largest deposits of about 670,000 tons which can produce 15 and 11 grams of gold and silver respectively⁽⁸⁾.

Fish

Yemen holds enormous fishery resources and Yemeni fish is considered of high quality compared to large-scale commercial and industrialized fishing all over the world. The Arabian Sea, the Gulf of Aden, and the Red Sea are extraordinarily rich in a variety of commercially sought-after fish and crustaceans. Although Yemen has wide access to marine resources, the fishing industry is largely underdeveloped and small-scale fishermen in small boats are prevalent. Yemen has a production capacity of more than 800 tons annually. While fish and fish products make up only 1.7% of Yemen's GNP, it is Yemen's second-largest export after oil and petroleum products⁽⁹⁾.

Fertile Lands

Yemen holds the most fertile land in the Arabian Peninsula. The estimate of the arable land is about 1.2 million hectares or 2.4% of Yemen's total size. The highest value of arable land over 54 years has been 3.12% of the total land in 1996. Farming is one of the main economic activities in Yemen and it contributes to 20% of the GNP. It creates jobs for about half of the working population. Farming is prevalent mainly in the coastal plains, highlands, valleys, and eastern plateaus⁽¹⁰⁾.

Yemeni Coffee

Yemeni coffee is one of the most famous agricultural products that Yemen has been famous for since ancient times. Despite the low production rate compared to other regions in the world, the quality of Yemeni coffee accounts for its fame and makes it the preferred drink.

Yemeni coffee is considered one of the best types of Arabic coffee. It features a high status in the list of the best types of coffee in the world and coffee connoisseurs admire it greatly. Yemeni coffee is exported to the Arab Gulf countries in particular and all over the world⁽¹¹⁾. Yemen is famous for the

8 What Are The Major Natural Resources of Yemen? – World Atlas

9 What Are The Major Natural Resources of Yemen? - WorldAtlas

10 Yemen - Agriculture, forestry, and fishing | Britannica

11 8 of the finest types of Yemeni coffee | The best types of Yemeni coffee | Yemeni coffee price. Saba Honey (tjaraa.com)



cultivation of coffee. According to the Yemeni agricultural statistics, it is cultivated on an estimated area of about 34,000 hectares and the annual production was about 20 thousand tons in 2019. However, no more than 3000 to 4000 tons are supplied to the market annually⁽¹²⁾.



Oil field, Ma'arib Governorate, Yemen



12 Controlling the Yemeni Coffee Trade in the 20th Century | Green Dream. holmakhdar.org



Natural Gas

Yemen holds natural gas reserves of about 490 billion cubic meters according to a 2010 report. During the same year, about 6.9 billion cubic meters of liquefied natural gas were exported. Owing to the abundance of natural gas in Balhaf, the first gas liquefaction plant was constructed in 2009. Revenues of US\$350 million are expected to be generated from the liquefied natural gas project and the general petrochemical industry is expected to be established⁽¹³⁾.

Economy

Yemen holds oil, human capital, historical, coastal, and fisheries wealth that distinguishes it from other countries in the region. Despite these massive resources, Yemeni people suffer from economic stagnation, backwardness, humanitarian crisis, poverty, and a high unemployment rate. According to international reports by the UN Office for the Coordination of Humanitarian Affairs (UN OCHA) in Yemen, about 66% of the population of Yemen is in urgent need of humanitarian assistance⁽¹⁴⁾.

Yemen generates most of its revenues from taxes, especially taxes from the oil industry. Other major non-oil sources of revenues include taxes on income, and tariffs⁽¹⁵⁾.

Reflecting on the reality of the situation in Yemen, it is clear that wealth is unequally distributed among the individuals and the classes in the Yemeni society. As a result, it created a disparity between two classes. The underprivileged class features poverty, ignorance, lack of basic life necessities. However, a few powerful families capture power, oil, gas, prestigious positions, and opportunities in whose hands the wealth of the country is concentrated.

The people of Yemen suffer from several problems such as scarcity of underground water and the shortage of clean drinking water. Most of the population does not have access to clean water and proper sanitation. Ten million people - approximately half of the population - live without enough food. As a result, the rate of child malnutrition is the highest amongst Yemeni children and half of the children under the age of five suffer from dwarfism. Moreover, female children marriage is common where girls get married before the age of 15, so they are more susceptible to health hazards and do not receive a formal education. The illiteracy rate among women is 49% currently. Yemen ranks

13 What Are The Main Natural Resources of Yemen? And Its Impact on the Economy - CAVEO Blog caveo.com.kw

14 Aishwarya Bansal, Poverty in Yemen: An Exploration of Why the Country is So Poor (borgenproject.org). Retrieved on 24th December 2021

15 Yemen - Trade | Britannica

140 out of 182 countries on the United Nations Development Program (UNDP) index for human development.



The unequal concentration of power and wealth in the hands of few military and social figures who belong to a certain party or tribe triggered the Youth Revolution during the so-called Arab Spring revolutions.

The Effects of the Ongoing War

According to a UN OCHA report (March 2021), the war has greatly affected the people of Yemen. The Yemeni economy has shrunk by more than half since the beginning of the conflict and more than 80% of Yemenis live under the poverty line. The collapse of the economy becomes evident in the loss of income for many families, the collapse of the Yemeni currency (riyal), a decline in government revenues, the price increases of food, and import restrictions, on fuel especially. The report also pointed out that more than 40% of the Yemeni families have lost their main source of income⁽¹⁶⁾.

The poverty crisis and chronic hunger are connected with violence in Yemen. The 18-month civil war has killed 10,000 people in Yemen. It has pushed Yemen towards famine and increased poverty. 80% of the population requires dire humanitarian assistance⁽¹⁷⁾.

16 UN OCHA (2021) Humanitarian response plan, Yemen. Retrieved from <https://www.humanitarianresponse.info/operations/yemen>

17 Aishwarya Bansal, Poverty in Yemen: An Exploration of Why the Country is So Poor (borgenproject.org). Retrieved on 24th December 2021



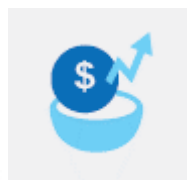
The continuing conflict has also devastatingly affected the civilians. Since the outbreak of the conflict, the death toll is estimated to be 230,000, out of which 131,000 cases died because of indirect causes such as malnutrition, absence of health care services, and collapse of infrastructure⁽¹⁸⁾.



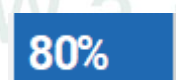
Fuel and food prices increased at a rate of more than 150% before the crisis



2087 Civilian Killed or injured due to direct conflict in 2020



Currency inflation at a rate of two thirds in northern Yemen; and three quarters in southern Yemen compared with exchange rates before the crisis



80% of the population live under the poverty line.



More than 40% of the families lost their sources of income⁽¹⁹⁾.

18 Assessing the Impact of War on Development in Yemen,” 22 April 2019. An independent report commissioned by the United Nations Development Programme (UNDP) in Yemen, available at <https://www.ye.undp.org/content/yemen/en/home/library/assessing-the-impact-of-war-on-development-in-yemen.html>.

19 Yemen Humanitarian Needs Overview (2021) Yemen Humanitarian Needs Overview 2021 (February 2021) [EN/AR] - Yemen | ReliefWeb



The Theoretical Framework of the Study

The economy of Yemen, which has been weak before to the conflict, has deteriorated dramatically. Hundreds of thousands of families have lost their stable source of income. Many of the public sector employees have not received their regular salaries for several years. The already collapsed economy has exacerbated the humanitarian crisis⁽²⁰⁾.

The Houthis seizure of power, the September 21 coup, describes how the Houthi group's seized the political decision in Yemen after they expelled the government of Yemen⁽²¹⁾.

In the same vein, the editor of "Al-Thawra Net" documented 29 positions of influence with authoritative power in the decision-making, and some revenues sources that give the appointees an outrageous and quick wealth. These positions of authority turn them into financial ruling figures. Abdul-Malik al-Houthi's family captured 35% of the influential positions and his in-law's intermarriage relatives seized 10%, and the remaining positions of power go to the next of Ken Houthis of Sa'ada⁽²²⁾.

The head of the Houthi Supreme Political Council, Saleh Habra, implicitly accused Abdul-Malik al-Houthi of power, wealth and decision monopoly. The accusation was not simply a reaction to the state of exclusion Habra faced within the Houthi Iranian-backed group to trigger public opinion. Habra's 289-word Facebook post highlighted three terms (power, wealth, and decision), and it summarized how Abdul-Malik al-Houthi abused his position of power. He ruled according to purely exclusionary practices and acquisitive racist criteria that give his family utmost priority, and Houthis people of Sa'ada governorate a second place⁽²³⁾.

The Yemeni media in "Bel-Masnad" program presented the Houthi militia's monopoly of power, wealth, and political decision. More than 200,000 Yemeni employees have been removed from jobs in the public and private sectors.

Al-Mahariya TV presented a report on the Southern Transitional Council illegal behavior towards Yemen people's money through the imposition of levies and taxes⁽²⁴⁾.

²⁰ [World Report 2020: Yemen | Human Rights Watch \(hrw.org\)](https://www.hrw.org/report/2020/03/20/yemen)

²¹ The Houthis seizure of Power. Retrieved from marefa.org

²² The Family Captures Power, Wealth and Decision.. A Report Documents How the Houthi's Turned against Old and New Partners. Retrieved from alarshnews.net

²³ The Family Captures Power, Wealth and Decision.. A Report Documents How the Houthi's Turned against Old and New Partners. Retrieved from alarshnews.net

²⁴ Salah Badi 21.03.2021 AlMahriah TV. Southern Transitional Council Capturing Economic Resources and its Impact on the Life of the Citizens. 9 TV Show



Objectives of the study

The main objective of this study is to explore the effects of resources inequality (power, wealth, income,) and its repercussion on the Yemeni economy and people.

Hypotheses of the Study:

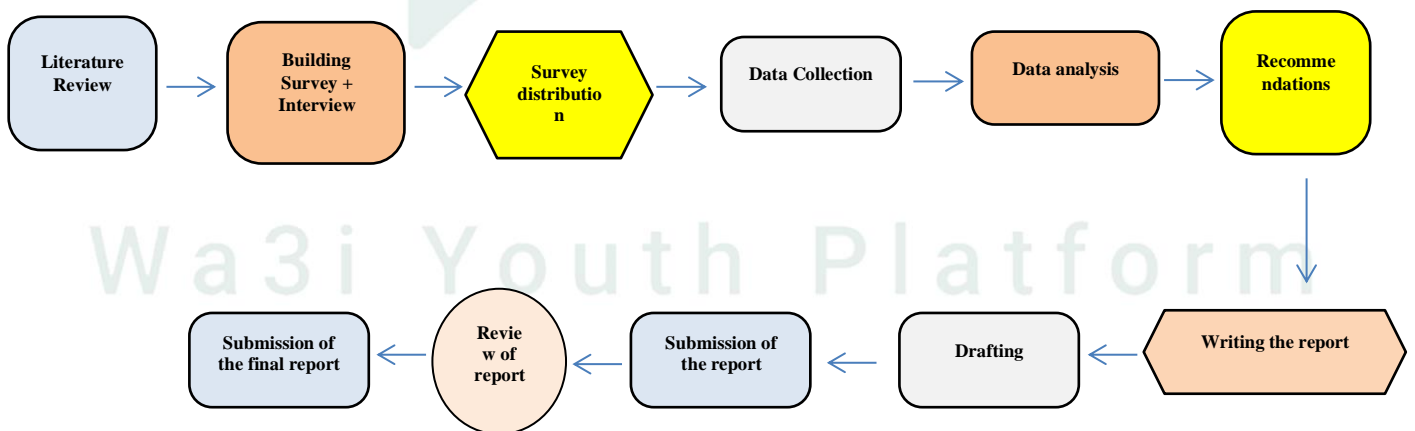
The study is based on the following hypotheses:

- Power inequality led to conflict, wars, and crises.
- Wealth inequality affected the Yemeni economy and society negatively
- Income inequality led to the migration of young adults. It created privileged and underprivileged classes.

Methodology of the Study:

Previous reports and studies were reviewed, a questionnaire was designed, and interviews were conducted with social and political figures, employees in the public sector, private sector, and civil society organizations.

Figure (1):





Sources of Data Collection

The study depended on primary and secondary data. The primary data included the data obtained through a questionnaire and interviews. The secondary data is comprised of data from books, magazines, previous studies, etc. The research team reviewed the previous studies in the literature. The team conducted field visits and interviewed doctors, specialists, and researchers in the field. Then, the research team designed the questionnaire and it was refereed by specialists in economics and development. The questionnaire was fine-tuned and finally distributed to subjects in the study sample. The questionnaire statements ranged in a 5-point Likert scale (Strongly agree, agree, neutral, disagree, strongly disagree).

Study Population

The study population of the present study is comprised of researchers, academicians, male and female activists, employees in the public and private sectors, civil society organizations, etc.

The Study Sample

The questionnaire was distributed and interviews were conducted with managers and employees in the public and private sectors, decision-makers, activists, specialized academicians in economics, social equality, and researchers. The sample ratio of the female respondents constituted about 29.4%, and 70.6% of men.

Time Frame of the Study:

The study was conducted during the period from November 15, 2021, to December 28, 2021.

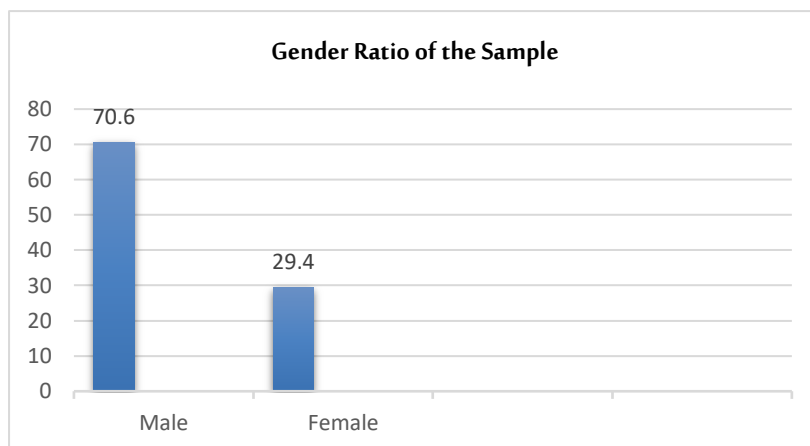
Data Analysis

In the analysis, the study utilized the SPSS statistical analysis program. It is a modern program used in analyzing and presenting data easily. In addition, graphs were used to display the data in an organized way in detail.

Gender ratio of the sample:



Figure (2) Gender ratio of the sample



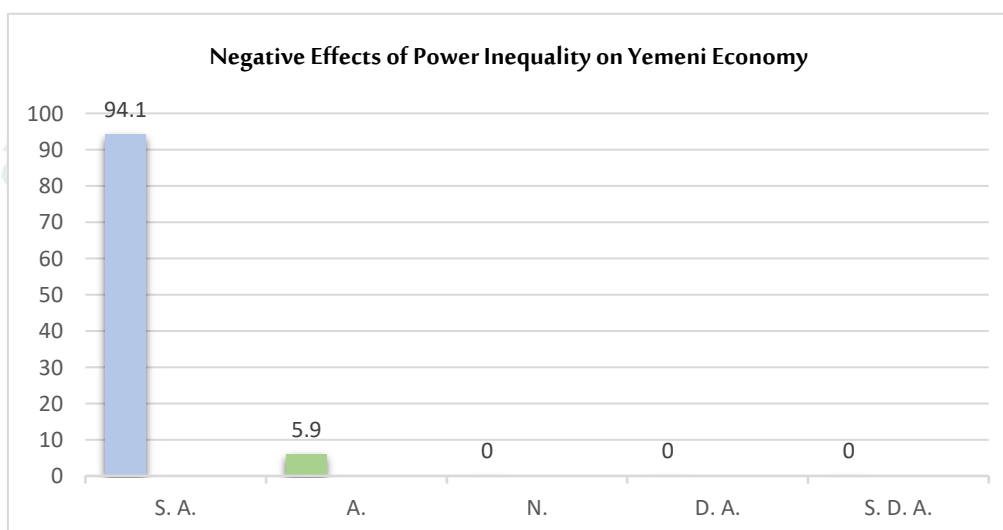
Results

Through reviewing previous studies in the literature and interviews with many researchers and specialists, the present study revealed some significant results:

Effects of power inequality on the Yemeni economy

The questionnaire responses showed that the entire respondents strongly agreed that power inequality had negative effects on the Yemeni economy.

Figure (3)

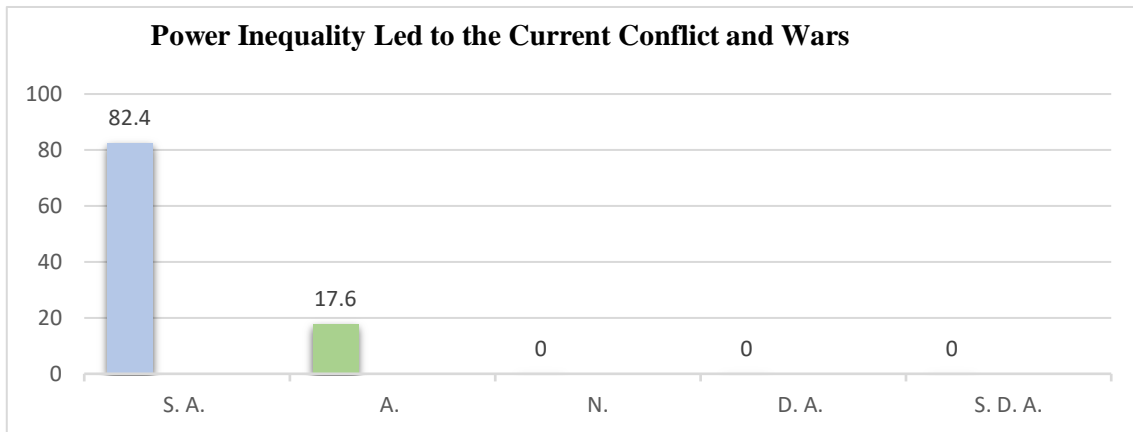


Note: S. A. = Strongly Agree; A.= Agree; N= Neutral' D.A. = Disagree; S.D.A.= Strongly Disagree



All the respondents (100%) either agreed or strongly agreed that power inequality had negative effects. It led to the ongoing conflict and war in Yemen as indicated in Figure (4)

Figure (4)

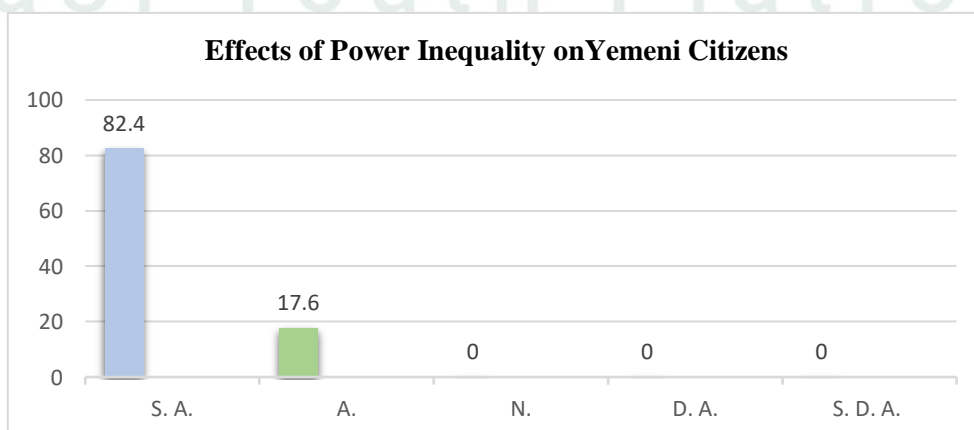


Effects of Power Inequality on the Yemeni Citizens

The inequality of power had a negative effect on the Yemeni citizens. 100% of the sample either agreed or strongly agreed with this statement.

The unequal distribution of power had a negative effect on the citizens' lives and the Yemeni society in general. As a result, most of the young adults, the educated, the intellectuals, and the political elites migrated to other countries. Power inequality also resulted in mismanagement and the exclusion of many young people (males and females) from various important leadership positions. As a result, further crises occurred including economic stagnation, currency fluctuations, conflict, wars, high rates of poverty, unemployment, the disparity between the privileged and underprivileged classes. Power inequality also led to the flight of capital overseas, and brain drain.

Figure (5)

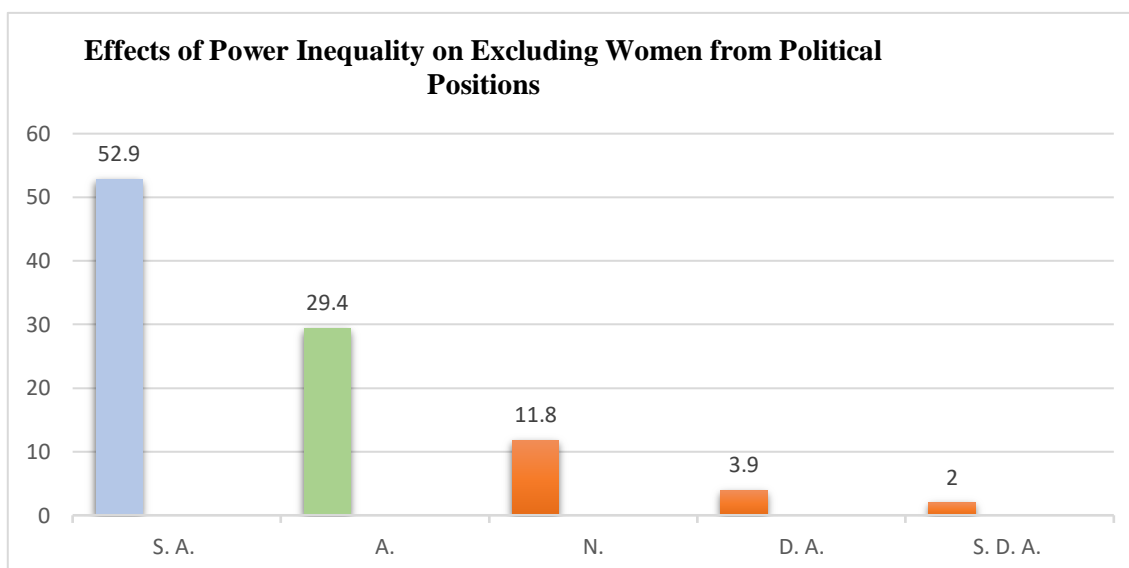




Effects of the Power Inequality on Yemeni Women

Unequal power-sharing led to the exclusion of women from power. 82.3% of the respondents either agreed or strongly agreed with this statement.

Figure (6)



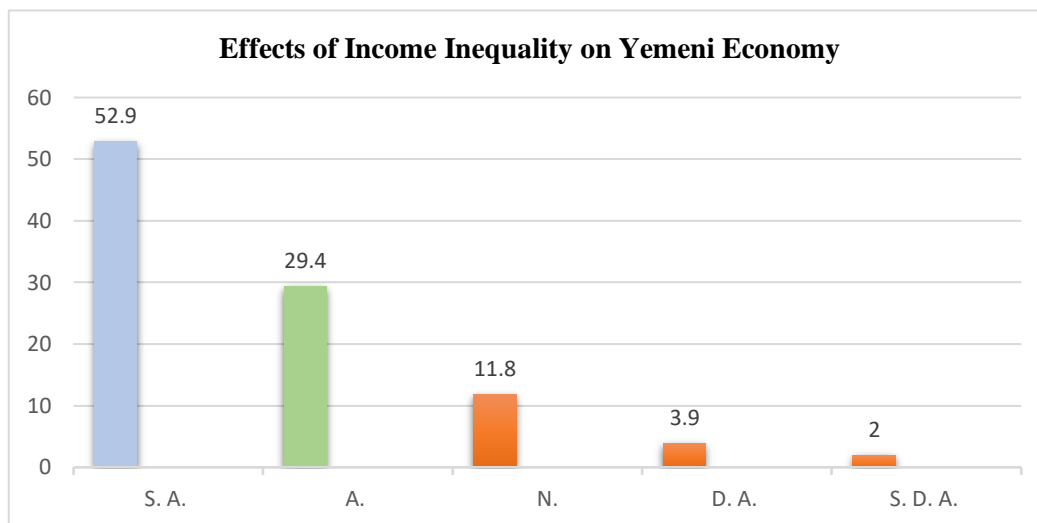
The power inequality led to the exclusion of women from power. This result is attributed to the tribalism culture. Yemen is a third-world country in which men hold political and leadership positions of power. Tribal societies generally do not give Yemeni women a role to play in leadership, politics, or the economy. As a result, most Yemeni political parties do not involve women in peace-making or political decision-making. They do not allow them to participate along with men in building the state.

Effects of Income Inequality on the Yemeni Economy

The income inequality led to the emergence of privileged classes and other underprivileged classes. As shown in Figure (7), 82.3% of the respondents stated that the unequal distribution of income led to the emergence of privileged and very underprivileged classes.



Figure (7):



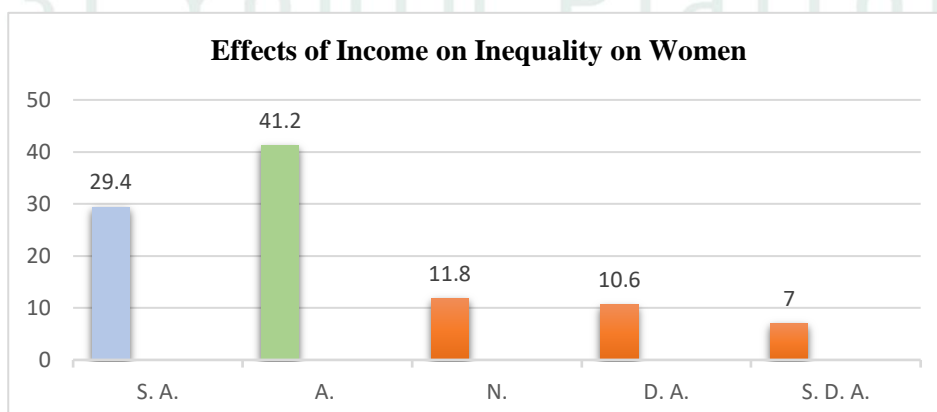
Effects of Income Inequality on Women

Through the data and reports published by local bodies and international organizations on the average income of males versus females, the results showed that males have access to more opportunities and receive a higher income than women do.

According to the results of the study, the respondents stated that unequal distribution of income led to men receiving more income compared to women.

The unequal distribution of income resulted in men receiving higher income compared to women. As Figure (8) revealed, 70.6% of the respondents either agreed or strongly agreed with this statement.

Figure (8):





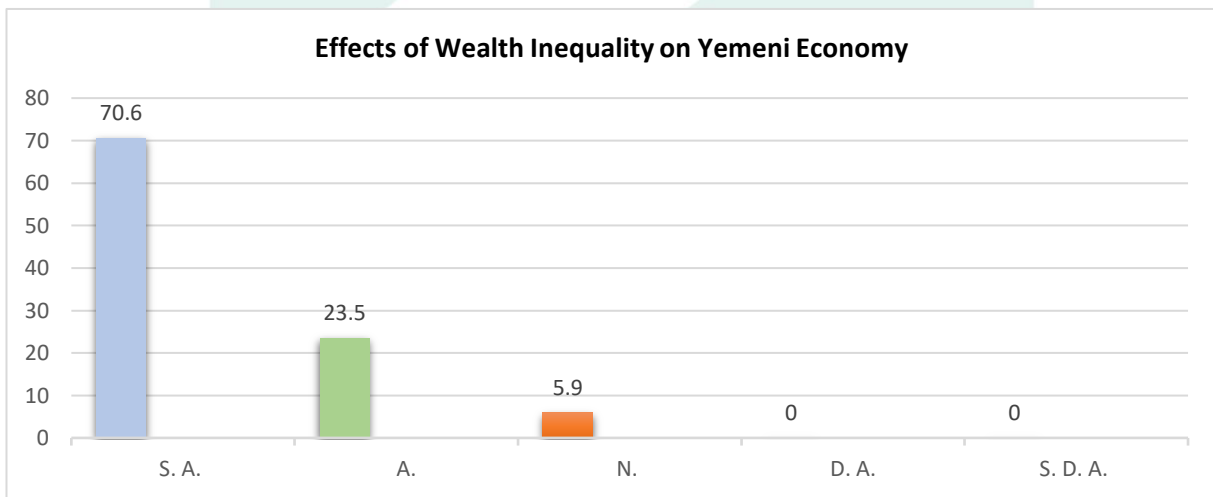
The unequal distribution of income led to the emergence of a large percent of underprivileged women in the community. This result is consistent with the OCHA 2021 international reports.

Effects of the Unequal Distribution of Wealth on the Yemeni Economy

Although Yemen holds oil, minerals, agricultural and other economic resources, and other assets, it is considered one of the poorest countries due to the unequal distribution of wealth.

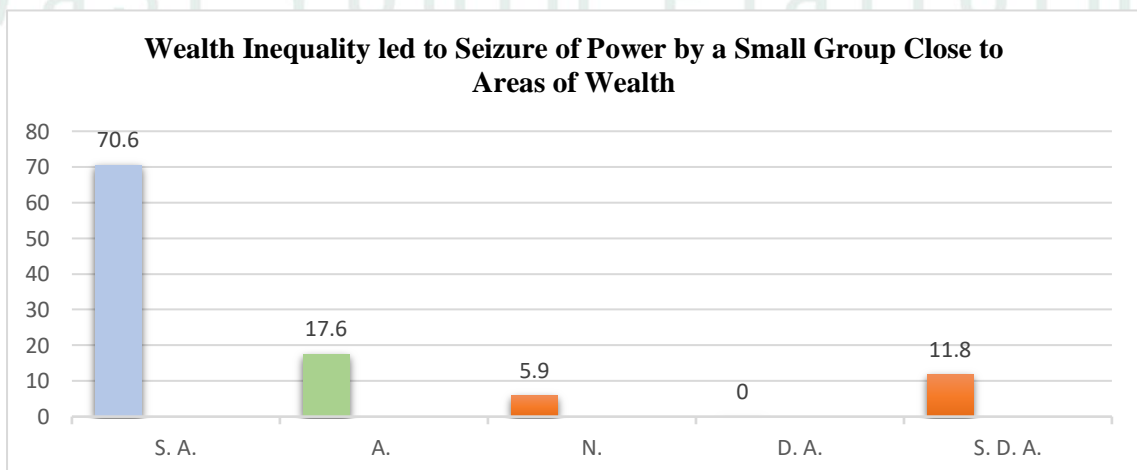
- The results in Figure (9) showed that 94.1% of the respondents either agreed or strongly agreed that wealth inequality had a negative impact on the Yemeni economy,

Figure (9)



As shown in Figure (10), the results of the study demonstrated that 88.2% of the sample either agreed or strongly agreed that wealth inequality led to capture of the power by a small group of people who were close to the regions of the resources.

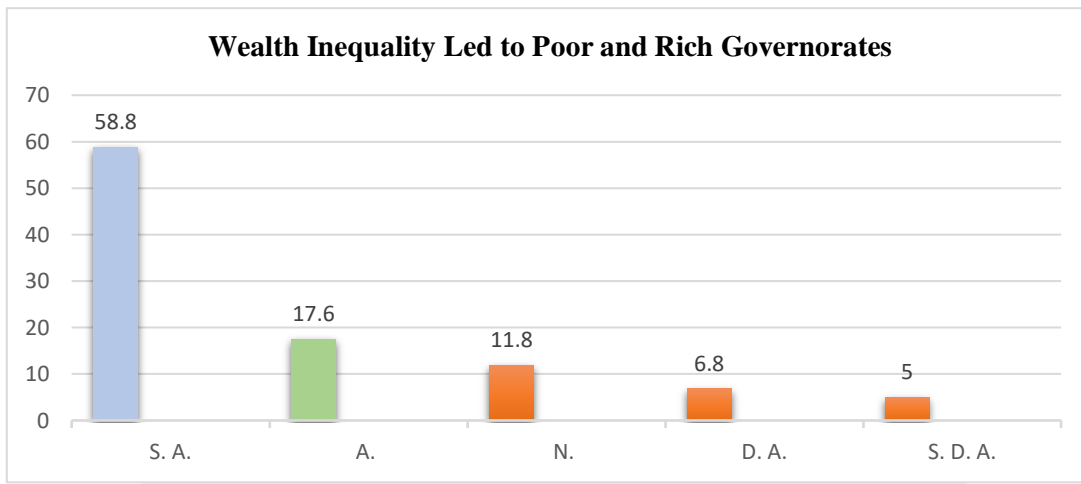
Figure (10)





The unequal distribution of wealth led to the disparity among governorates. 76.4% of the respondents stated that they either agreed or strongly agreed that wealth inequality among governorates led to some rich governorates and poor governorates as the data in Figure (11) demonstrate.

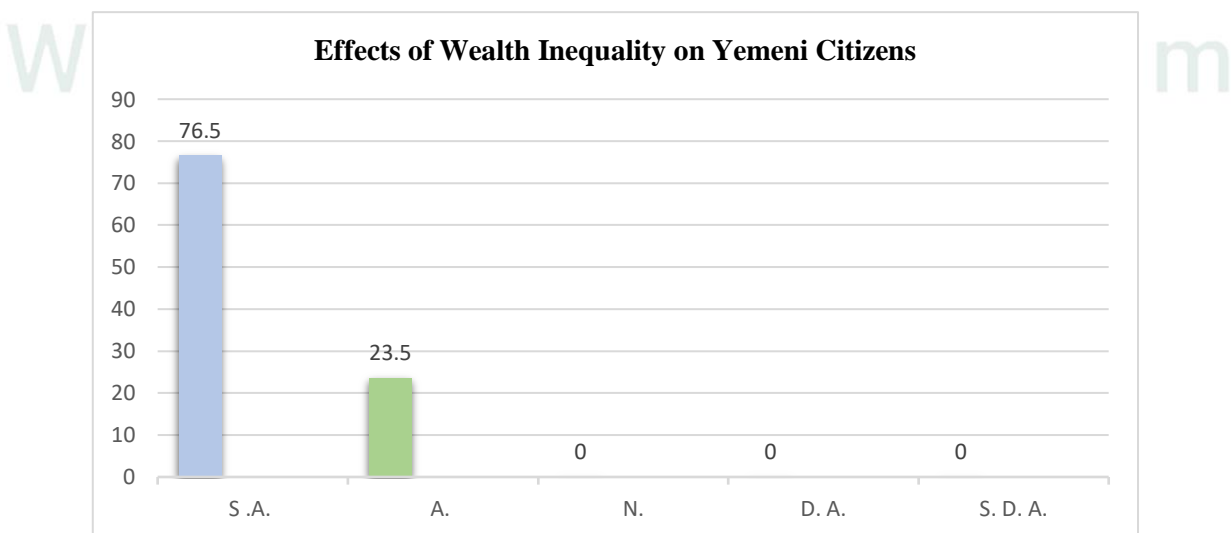
Figure (11)



Effects of Wealth Inequality on the Yemeni Citizen

The unequal distribution of wealth led to high rates of poverty, unemployment, larcenies, crimes, lack of morals, high rates of divorce, and migration in the Yemeni society. As Figure (12) displays, 100% of the respondents either agreed or strongly agreed that the unequal distribution of wealth led to an increase in poverty and unemployment rates in the community.

Figure (12)

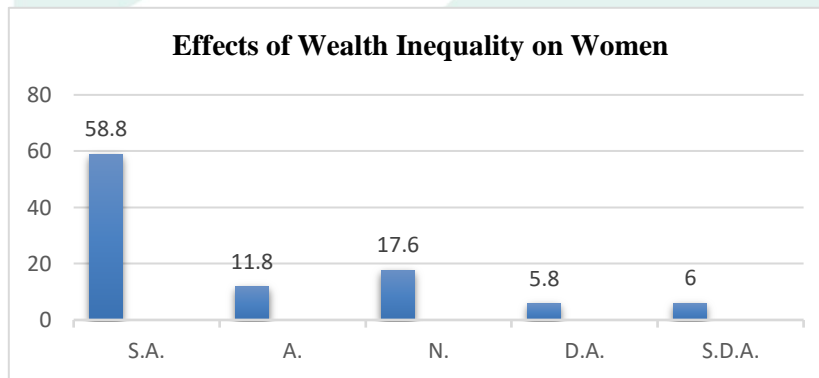




Effects of Wealth Inequality on Women

The natural tribal structure of the Yemeni society does not entitle women to obtain wealth to live in dignity. Most Yemeni families do not give women their inheritance rights. Further, men in some families do not give women the right to spend their salaries. These behaviors had adverse consequences on Yemeni women. The respondents' opinion was consistent with the very same rampant facts in Yemeni society. Figure (13) shows that 70.6 % of the respondents either agreed or strongly agreed that men's capturing the wealth led to the emergence of a large class of underprivileged women.

Figure (13)



Recommendations of the Study:

Based on the results, the present study recommends the following:

Human beings should be taken care of because they are the lifeblood of building the economy.

Equitable distribution of power should be maintained to ensure the participation of all the categories of the society, the political and social components in decision-making.

Inclusive policy should be maintained to put an end to wars and conflicts in the Yemeni societies north and south.

Women should be involved in power and positions of authority. They should be given equal opportunity to empower them in decision-making and participation in politics.

Under no circumstance may one group or a political party seize power to avoid the mistakes of the past that brought war, conflict, mismanagement, misuse of resources, economic stagnation, and unemployment, etc. They shall not be repeated.



A transparent mechanism for equitable distribution of resources should be developed to ensure that everyone should be given equal opportunity to production, income, and decent living.

Social equality among the different societal categories should be observed, involving every group in the society.

Under no circumstance Power may be concentrated in the hand of a few groups to avoid inequality among classes. Inequality results in the emergence of privileged and underprivileged classes and it contributes to the disappearance of low-income classes.

Equality in opportunities and income for everyone should be observed to put an end to the flight of human capital.

The government has to support the poor governorates with scarce resources. It should create job opportunities and establish various productive, industrial, and tourism sectors to create sources of revenues for these governorates. Enterprises may include tourism, small and medium-scale industries, investment in technology just to name a few.

Small and medium-scale enterprises should be supported. Such projects have very important roles in creating job opportunities for young people, reducing poverty and unemployment in the country. Corruption should be countered through introducing the policy of fiscal and administrative reform in the public sector.

Youth welfare activities should be developed since the youth are the seed of societal development. Mechanism for investment in modern technology should be developed as it is an effective tool for creating job opportunities and attracting foreign currencies.

Agricultural enterprises should be developed and supported to create job opportunities and decrease rates of poverty and unemployment, especially in rural areas. Agricultural products make up a vital source for attracting foreign currencies through exporting to neighboring and foreign countries.

Fishing resources and enterprises should be maintained and developed. Fishermen should be financially supported, trained and protected. Fish wealth is the mainstay of Yemen's development and the economy.



Conclusion

Yemen holds great economic potentials such as tourism, historical Yemeni civilizations, coastline, fisheries, islands, ports, agriculture, oil, gas, and strategic location just to name a few. Despite the enormous economic resources, Yemen is considered one of the poorest countries in the world due to mismanagement and seizure of power and the economy by a small group of individuals.

Inequality in power-sharing, prestigious positions of authority, leadership positions in the state agencies led to the exclusion of some Yemeni parties, social, economic, and military figures. Inequality affected the Yemeni economy badly in terms of the absence of economic specialists, thinkers, and expert consultants who can solve the economic crisis, especially the ongoing currency inflation in southern Yemen in particular (in Saudi Arabian Riyal, and the US Dollar) and northern Yemen. Although exchange rates are stable to some extent, price hikes have been a great burden on the people in northern Yemen.

The tribal nature of Yemeni society is one of the main reasons for the unequal distribution of power. According to the tribal affiliation, certain families can be fortunate to have a connection to obtain better job offers and better income vis-a-vis other less fortunate citizens from the society. Certain Yemeni families, affiliation to which ensures that its people have access to better benefits, opportunities, and higher income, even they might not hold the necessary qualifications compared with other people in the society.

Since the outbreak of the war in March 2015, the study revealed that the de-facto authority, Ansar Allah, pays a half-salary annually to all the employees in the different sectors in the regions under their control in northern Yemen. However, Houthis individuals and families receive salaries, bonuses, and incentives every month.

Based on international reports, the study found that a huge economic divide in income among the Yemeni people and this led to the emergence of privileged and underprivileged classes. The burgeoning economic gap led to the disappearance of the middle class, which comprises a balance in the economy of any country in the world. The opinion of the sample of the present study substantiated this fact.