



THE PROBLEMS OF DEVELOPMENT AND ECONOMIC SECURITY IN YEMEN

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ABSTRACT

This review article investigates and examines the obstacles and critical challenges to Yemen's development and economic security, focusing on the consequences of protracted conflict, hyperinflation, and inadequate government. The study employs a qualitative research methodology, synthesizing insights from scholarly literature, reports from international organizations, and case studies to explore the complex dynamics at play. Data was gathered by doing focused searches using keywords like “problems,” “development,” “economic security,” “stabilization,” and “Yemen” on websites including Google Scholar, ScienceDirect, and Scopus. This comprehensive analysis aims to provide a nuanced understanding of Yemen’s current economic landscape and the factors contributing to its decline. Results reveal that Yemen's protracted conflict has seriously harmed the country's economic framework, resulting in pervasive poverty, unstable food supplies, and a breakdown of social services. Corruption and inept governance have exacerbated these problems, impeding efforts to stabilize the economy and restore public trust. The impact of large international help is still limited because of continued violence and logistical obstacles in the delivery of relief. According to the study's findings, Yemen's recovery would necessitate a multimodal strategy that includes investments in education and career training, currency stabilization, economic diversification, and governance reforms. Effective governance and ongoing international support are also critical to achieving sustainable development and long-term stability.

Keywords: Problems, Development, Economic Security, Stabilization, Yemen

INTRODUCTION

The Republic of Yemen is located at the southernmost tip of the Arabian Peninsula, bordered by the Red Sea to the west, Saudi Arabia to the north, Oman to the east, and the Arabian Sea and Gulf of Aden to the south. Yemen is in charge of the Bab el Mandeb Strait, a strategically significant waterway that connects the Red Sea to the Arabian Sea and the Gulf of Aden. One of the world's most important maritime chokepoints, this strait

is a major route for international shipping, particularly oil and commercial lines connecting Europe, Asia, and the Middle East (Carapico, 2013).

Yemen, historically called “Arabia Felix” or “Happy Arabia,” was praised for its bountiful land, abundant natural resources, and advantageous placement along important trade routes. Its fame was taken from its agricultural output, especially from the production of incense and spices, which were highly prized in prehistoric trading networks (Albayrakoğlu, 2016). Today, Yemen stands as one of the world's most war-torn and destitute countries. Yemen is coping with a severe economic and development crisis due to the ongoing civil war since 2014. The conflict has resulted in the collapse of state functions, a decline in economic activity, and a humanitarian crisis. Key challenges include political instability, economic collapse, infrastructure destruction, agricultural decline, food insecurity, and high unemployment. Yemen depends to a large extent on international aid, which strains global humanitarian resources.

A Saudi Arabia-led coalition has intervened internationally in the civil war between the Ansar Allah and the Yemeni government, leaving Yemen in a dire humanitarian situation. There has been extensive damage and civilian relocation as a result of the fighting. With the help of Western nations, causing casualties among civilians as well as damage to infrastructure. The collapse of Yemen's economy has resulted in acute food shortages and the possibility of famine. A catastrophic cholera outbreak has resulted from the conflict's disruption of access to clean water and sanitary facilities. The population's wellbeing and vital services have been impacted by the collapse of the infrastructure. While some humanitarian relief has been offered by the international community, efforts have been hindered by the ongoing violence and the difficulties associated with delivering aid in a nation that has experienced war (Jenkins, 2020).

Yemen is also going through a severe economic downturn, which is being reflected in a drop in oil production and a lack of confidence in the leadership. The nation's economy was severely impacted by a 60% drop in oil production in 2009, which led to record-low foreign exchange reserves. The administration has been under growing pressure to enact reforms, but the process has been difficult and slow to move forward. Yemen's humanitarian crisis is getting worse despite the urgent need for foreign assistance, which is making the nation's economic problems worse. The administration's attempts to restore the economy have been sharply condemned by critics, who charge it with corruption and incompetence (Hill, 2010). Between 1990 and 2017, a number of complicated internal and foreign forces interacted to affect Yemen's monetary instability. High rates of inflation, negative growth in local product prices, and ongoing deficits in the budget and balance of payments all seriously harmed the economy. These problems were exacerbated by political unrest, which had a particularly strong effect on economic growth due to the public budget imbalance. The budget deficit had a more severe effect on the economy than inflation and the balance of payments imbalance, despite the fact they both contributed to the instability (Baswaid, 2021).

The ability of people, households, and nations to meet their fundamental needs and recover from financial shocks is referred to as economic security, and it is an important

notion. The state was initially mostly in charge of ensuring economic security, but as time has gone on, non-state actors' roles such as those of international organizations and the private sector as well as the effects of fluctuations in the economy have been acknowledged. The significance of institutional frameworks in guaranteeing access to essentials, fostering economic resilience, and mitigating the impact of economic upheavals is highlighted by this more comprehensive knowledge (Kahler, 2004). This study looks at how Yemen's ongoing conflicts have affected the country's infrastructure, social services, and economic development. The review's analysis of these effects aims to illuminate Yemen's existing state of affairs and consider its possibilities for the future. In the end, it seeks to provide strategies for flourishing growth, tackling the difficulties brought about by the continuous unrest, and promoting long-term financial stability.

LITERATUR REVIEW

1. Impact of Conflict

Mass protests in January 2011 were the result of the Arab Spring in Yemen, which was triggered by regional events and long-standing local issues. The general public's mounting discontent with systemic government corruption, dire economic conditions, persistently high unemployment rates, and the absence of fundamental political liberties served as the main driving forces for these massive protests. President Ali Abdullah Saleh eventually resigned in 2012 as a result of this turmoil. But the originally amicable handover of power swiftly descended into a bloody and drawn-out war. One of the worst humanitarian catastrophes in history has been brought on by the continuous conflict, which involves numerous factions, extremist organizations, and outside powers. Also, a collapsing healthcare system, severe poverty, mass relocation, and pervasive food insecurity are the hallmarks of this catastrophic situation. The situation has become even more complex due to the involvement of a coalition led by Saudi Arabia, which has worsened conditions for civilians caught in the crossfire and led to an extended standoff (Issaev et al., 2022) .

Yemen's ongoing conflict has severely damaged the country's economy, leading to widespread poverty, starvation, and a dire humanitarian situation. The destruction of critical infrastructure, the disruption of trade routes, and increased prices have all been instrumental in the crisis. Additionally, the blockade has created a parallel war economy, severely restricting access to fuel and food imports. The depreciation of the Yemeni rial has caused hyperinflation, making basic goods unaffordable for many. The economic collapse has been previously exacerbated by a decrease in oil production, making it difficult for Yemen to finance imports and earn foreign currency. This has led to a shrinking GDP, a surge in unemployment rates, and the fall of businesses. The agricultural sector has further been devastated, further reducing food production. Which led to hyperinflation, driven by both a decrease in supply and an increase in demand, has left many people unable to purchase basic necessities. The humanitarian impact is profound, with around 23.7 million Yemenis in need of assistance, 7.4 million suffering from malnutrition, and tens of thousands of civilian casualties. Women and children, who make

up 77% of those in need, are at risk of malnutrition, disease, and loss of education, with long-term consequences for their development and future opportunities. The violence has also made it increasingly challenging for humanitarian agencies to deliver effective assistance (Butcher, 2023; Jiang et al., 2017).

2. Humanitarian aid and development aid

Yemen has been faced with one of the worst humanitarian crises in the world, driven by years of ongoing conflict in Yemen, which has significantly impacted the effectiveness of international aid, including humanitarian aid (HA) and development assistance. HA is essential to addressing immediate needs like food, medicine, and shelter, but its delivery is often constrained by looting, corruption, and the absence of international deterrents. As regional infrastructure is destroyed and state institutions collapse, Yemen's reliance on aid has grown, leading to a high level of dependency. Access to affected populations is frequently restricted due to active hostilities, and the politicization of aid distribution further complicates efforts. Evaluations of HA effectiveness is skewed by the complexities of the conflict and the challenges inherent in aid distribution (Elayah & Fentiman, 2021)

Owing to the continuous conflict and economic difficulties, around 22 million people in Yemen need humanitarian aid, including food, medical treatment, and shelter. Food has traditionally been provided as help, but problems like looting and inefficiencies have caused a change to financial support. Yemen's economy has gotten worse, losing 75% of its value in local currency and 40% of its GDP. Cash-for-work programs are exploited by international organizations such as the United Nations and USAID to provide aid (Elayah et al., 2022).

Because of its community-based approach, perceived impartiality, flexibility, and relevance to recipients, the Yemen Social Fund for Development (SFD) has been successful in delivering poverty reduction programs despite political instability (Al-Iryani et al., 2013 ; .Al-Iryani et al, 2017). Yemen is not able to fulfill targets in maternal and child health and rural access to safe drinking water, although it has made progress toward several MDGs, especially in basic education and poverty reduction. Significant institutional and policy changes, ongoing donor assistance, and political stability are needed to reach these aims (Khan & Chase, 2003). Also, the SFD's strategy, which emphasizes local ownership, trust, and adaptation, offers a model for efficient aid delivery in difficult contexts (Al-Iryani et al, 2017).

3. Governance and Corruption

Yemen has serious governance issues that seriously impede its ability to grow economically and erode public confidence. Major impediments to company expansion are uncertainty in economic policies and corruption; larger enterprises report more severe hurdles (Banerji, 2002). One major reason Yemen has not been able to attain sustained economic development is the lack of good government (Gaghman, 2020). Maintaining the rule of law, fostering justice, accountability, and openness, and supervising institutions all depend on good governance. Without these components, public institutions are untrustworthy, and the economy finds it difficult to grow. Furthermore, widespread corruption in Yemen, which includes bribery, embezzlement, nepotism, and the theft of

public funds, poses a serious danger to the public government. By producing a lack of transparency, encouraging unfair competition, and altering market dynamics, these unethical behaviors not only deter investment but also impede economic growth. It highlights the widespread problems in the public sector that significantly undermine the efficacy of corporate governance rules. There is an urgent need for comprehensive governance reforms because systemic corruption makes it difficult to implement reforms and create a stable, thriving economy (Alasbahi, 2021).

Yemen's development and security are further undermined by instability and weakness within its governance structures. The centralized power structure, which concentrates authority in the hands of a few individuals or groups. This corruption is deeply embedded in both political and economic processes, weakening public confidence and misallocating public funds. Political unrest, such as the Arab Spring demonstrations in 2011, has further destabilized governmental institutions. Economic mismanagement and a weak rule of law have left the economy unstable and vulnerable to external shocks (Obaid & Udin, 2020). In contrast, public trust in the Yemeni government is notably low, with citizen satisfaction regarding public service quality, government transparency, and anti-corruption efforts positively influencing trust levels. Demographic factors, such as gender and education, also play a role in trust towards city government (Salim et al., 2017). These findings highlight the need for comprehensive governance reforms to promote sustainable development and rebuild public trust in Yemen. According to one study, Yemen's economic growth is measurable in relation to governance indicators, such as the management of corruption. The report specifically points out that political stability and the rule of law are crucial factors in determining economic growth. As a result, the nation's economic performance may suffer other problems with government (Alomaisi, 2016).

METHOD

The research design used throughout this review article is qualitative. The literature review lacks recognized guidelines, in contrast to systematic reviews that profit from them (Sony et al., 2020). Using Google Scholar, ScienceDirect, Springer, and Scopus, this manual study was undertaken with an emphasis on original works. Problems, development, economic security, stabilization, and Yemen were the study's core words. Complete papers and pertinent publications that have been screened and thematically examined to find important trends and themes were among the requirements for qualifying. To ensure that the judgments made to get the final results for this review paper were relevant, the title, abstract, and entire text of the publication were scanned. This review paper uses a qualitative research design and focuses on a thorough examination of Yemen's development and economic security potential and difficulties. The qualitative method, which draws from a variety of sources such as scholarly literature, reports from international organizations, and case studies, enables a thorough examination of the complicated difficulties Yemen is experiencing. Through the synthesis of different viewpoints, the assessment aims to offer a comprehensive comprehension of the ways in

which the nation's infrastructure, social services, and economic progress have been hindered by persistent conflicts. in order to offer suggestions and ideas for resolving these issues.

RESULT & DISCUSSION

1. Developmental Setbacks and Humanitarian Crise

Yemen has experienced severe humanitarian crises and setbacks in its growth over the last ten years, mostly as a result of the intricate interactions between political, economic, and social variables. In accordance with Table 1.

Year	Humanitarian Crisis's Causes	Humanitarian Crisis's Effects
(2013)	<ul style="list-style-type: none"> -Hazard of Disease Epidemics (wild polio). -Accessing Sa'ada, Abyan, Shabwah, Marib, Hadramaut, Al Jawf, and Hajjah presented difficulties for aid organizations. -Operational Challenges (the resignation of the OCHA HFU Manager and the relocation of numerous humanitarian staff). -Financial and Resource Limitations (the inability to carry out the recommendations or the fact that they did not align with the fund's strategic goals). -The Humanitarian Response Plan is underfunded. 	<ul style="list-style-type: none"> -Pervasive Humanitarian Requirements (More over half of Yemen's population required humanitarian aid.) -A rise in displacement when people leave their homes in search of safety elsewhere -Project Implementation Delay: (caused by administrative hold-ups, logistical difficulties, and access restrictions).
(2018)	<ul style="list-style-type: none"> -continuous hostilities -Food and pharmaceutical supplies have been severely curtailed due to blockades, especially at the port of Hodeidah. -Economic collapse. -Moving Away -Participation in international weaponry sales by nations. 	<ul style="list-style-type: none"> - Increase asylum seekers and refugees to nearby nations. -Sexual abuse, torturing, and enlisting minors as combatants. -Severe malnutrition, especially in children. -Homes, marketplaces, and hospitals are among the places where civilian casualties occur. -Disease Outbreaks: Cholera is one example. -Destruction of the water, hospital, and school systems' infrastructure.

(2022)	<ul style="list-style-type: none"> -The ongoing military confrontation -Economic volatility, such as variations in the value of the Yemeni Rial relative to the US dollar -Reduced aid for humanitarian causes. -Food Insecurity. 	<ul style="list-style-type: none"> -Greater demands for humanitarian aid. -Pregnant and nursing mothers as well as children under five are more vulnerable to malnutrition. -Vaccine-derived polio is one of the health challenges that children face. -kids that have been internally displaced.
(2024)	<ul style="list-style-type: none"> -Armed Struggle. - Economic collapse. -Natural Catastrophes. -Poor Institutions &Governance. 	<ul style="list-style-type: none"> -Significant rates of malnourishment, particularly among kids. - Internal movement -A scarcity of medical professionals. -Water and sanitation services have declined as a result of infrastructural destruction and maintenance neglect. -School closures and student relocations, which interfere with millions of children's education. -Child enlistment, abuse against women, and transgressions against international humanitarian law. -Elevated rates of poverty and unemployment -Obstacles in the way of providing humanitarian aid

Table 1; Source: (OCHA, 2013; Dunning, 2018; (UNICEF, 2022)

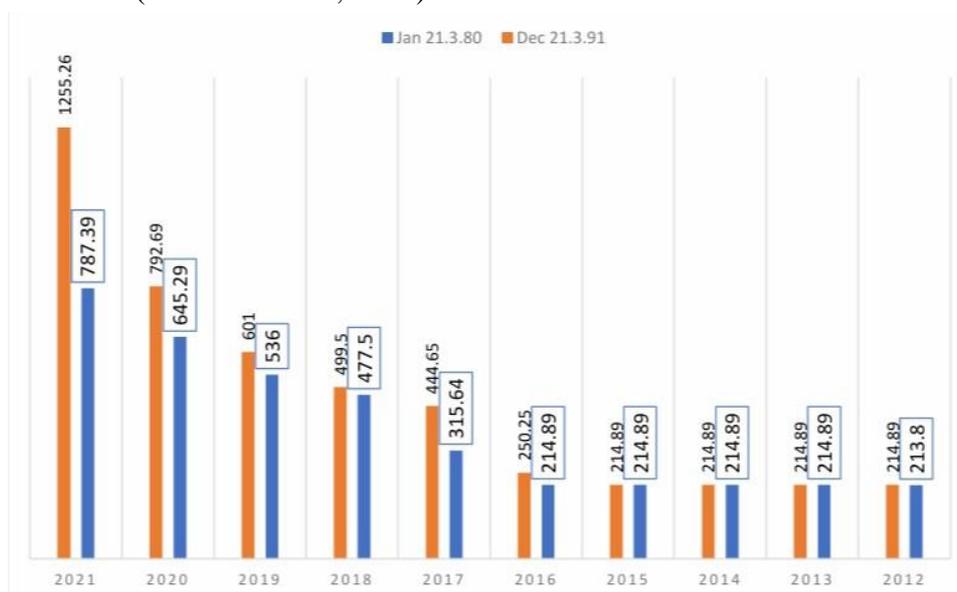
2. Hyperinflation Economies

Yemen's hyperinflation has been driven by several factors, including political unrest, economic sanctions, the depletion of foreign reserves, currency devaluation, and currency overprinting. Due to these circumstances, investors' confidence in the economy has diminished, which has resulted in money withdrawals and currency depreciation. Investment and development initiatives are hampered by the government's currency overprinting, which worsens the situation (Hassan, 2023).

The International Financial Reporting Bulletin in 2024 indicates that Yemen's inflation has seen some decrease. The IMF World Economic Outlook (WEO) study from April 2024 forecasts a 3-year cumulative inflation rate of 47% and 110% as of December 31, 2023, and 2022, respectively. For 2024 and 2025, the IMF WEO predicts a 12-month inflation rate of 20% and 15%, respectively. Yemen's status as a hyperinflationary country is anticipated to change by June 30, 2024; however, the situation should remain under observation until the final inflation statistics are released.

The inflation of the Yemeni rial has significantly diminished the purchasing power of the population, making it increasingly difficult to obtain food and other necessities (Rahmat et al., 2022). A study examining the factors influencing Yemen's currency rate discovered long-term correlations between the exchange rate and variables such as GDP growth, the current account balance, inflation rate, and interest rate. Granger causality tests revealed that the exchange rate affects inflation and interest rates, with short-run relationships observed between these variables (Al-Masbhi & Du, 2021).

The exchange rate of the Yemeni rial (YER) relative to the US dollar (USD) exhibited substantial fluctuations between 2011 and 2021, as shown in Figure 1. This volatility reflects Yemen's economic instability. Throughout this period, the average exchange rate was approximately 213.8 YER/USD, with a standard deviation of 94.7 YER/USD indicating significant variability. Notably, the currency rate was relatively stable in April 2014 at 250.25 YER/USD but dramatically depreciated by November 2020, reaching 1500.6 YER/USD. The fluctuation range of 1250.35 YER/USD highlights the currency's volatility. Yemen's economic difficulties are further compounded by factors such as the ongoing civil conflict, dependence on oil exports, and the decline in the value of the US dollar (Abdullah et al., 2023)

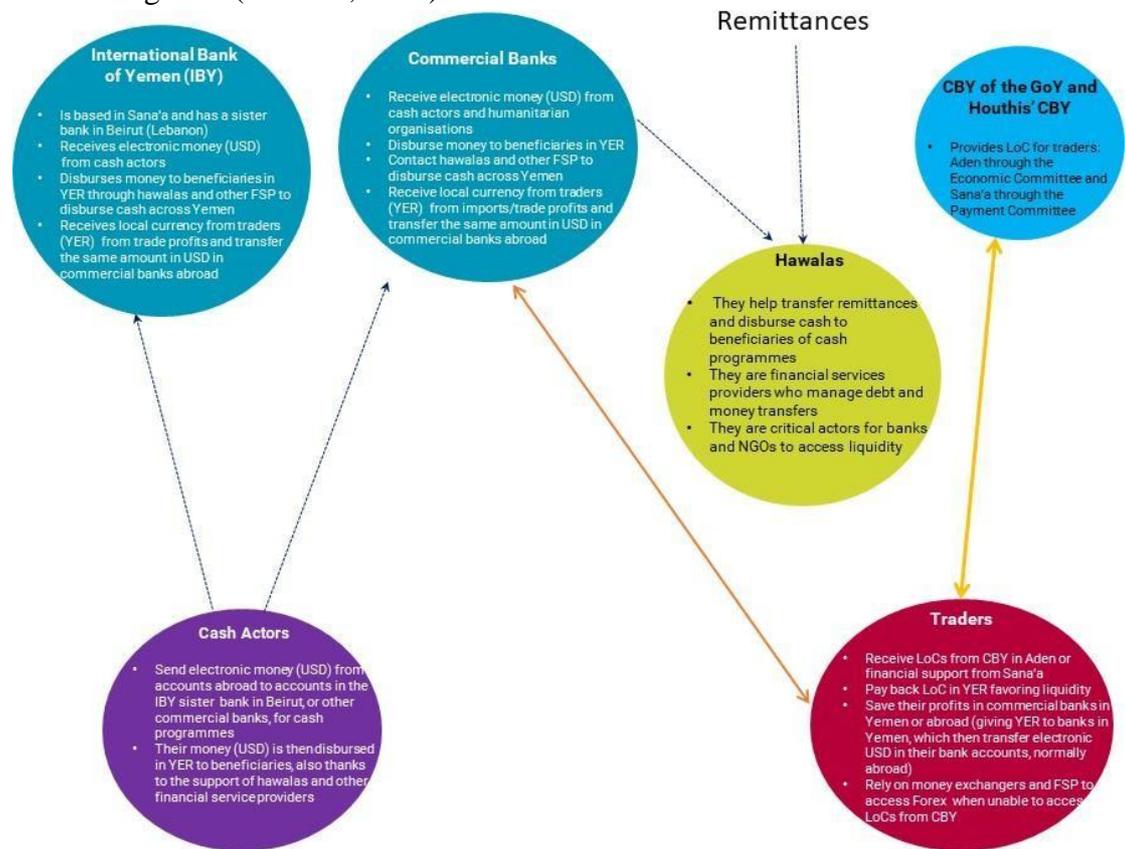


Source: SWP.

Figure 1: Yemeni Rial Exchange Rate Fluctuations: 2011-2021.

Yemen's financial sector is characterized by severe obstacles because of the continuous fighting and political unrest, and two rival regulatory bodies—the internationally recognized Central Bank of Yemen (CBY), in Aden, and the Ansar Allah or Houthi financial authorities in Sana'a—have established two different regulatory frameworks. Financial services have been disrupted by the fighting, and banks are under pressure to comply with stringent and frequently contradictory regulations. The economy depends heavily on remittances, which are mostly sent in US dollars and Saudi riyals. Access to foreign cash is also essential but made more difficult by the absence of a cogent

monetary policy. Furthermore, a sizable unofficial financial sector that operates outside of the official regulatory framework exacerbates currency exchange rate volatility, as shown in Figure 2 (ACAPS, 2020).



Source: (ACAPS, 2020)

⁴Remittances are predominately sent in USD and Saudi Riyals

Figure 2: Financial sector in Yemen.

The internationally acknowledged government's forced move of the central bank to Aden in 2016 marked the final failure of the balancing act. This happened as a result of the government convincing the world community to stop the Sana'a branch from receiving freshly minted banknotes and to restrict its access to foreign deposits. By the end of 2016, there were two distinct branches of the central bank operating: one in Sana'a, controlled by the Ansar Allah, and another in Aden, under the internationally recognized government, which was in charge of the majority of monetary operations. Now that we have this context, we can investigate the reason why older rial notes have increased in value over time. Following its establishment in 2016, the CBY branch in Aden placed an order for new banknotes from Russian note maker Goznak, which arrived in Aden. Early in 2017, the CBY branch in Aden placed an order for brand-new banknotes from Russian note producer Goznak, which landed in the country (JP Koning, 2020).



You can see that there are some differences between the new 1000 rial note and the old one, pictured below



Figure 3. Source: Banknote News.

3. Challenges of resource management

Yemen faces a complex array of resource management issues that are strongly interconnected. A primary concern is the country's heavy reliance on fossil fuels, particularly liquefied natural gas and heavy diesel crude oil known as "Mazot." This dependence has an adverse effect on both the environment and the economy. Despite the availability of renewable energy resources such as biomass, geothermal, solar, wind, and hydropower, these have not been fully exploited due to inadequate infrastructure and governmental indecision about the most cost-effective energy sources. Furthermore, the uneven distribution of electricity exacerbates the problem, with only 23% of the electricity supply reaching rural areas, where 75% of the population resides. This imbalance not only highlights the predominance of home consumption but also hinders industrial development. The use of diesel generators for electricity generation is also concerned about the impact on water resources, as some energy production methods are water-intensive (Alkipsy, 2020).

Yemen is facing a serious water shortage crisis brought on by a confluence of factors including unsustainable farming methods, aged infrastructure, lax legal monitoring, and the country's fast population increase. Yemen has only 2% of the world's average per capita water availability, and the country's extensive Qat production greatly exacerbates the issue. The political and economic instability of the nation makes it difficult to adopt sustainable water management policies, which impedes the Water and Environment

Ministry's efforts to address these problems. Rising civil unrest and resource-related conflicts are making the situation worse, necessitating elaborate, expensive, and politically difficult measures to stop the situation from deteriorating (Haidera et al., 2011). There is a severe lack of skilled workers with the know-how required to create and maintain Waqf assets. Investment difficulties are exacerbated by this lack of experience, as many Waqf assets—mostly real estate, such as buildings and lands—remain underutilized and unprofitable. The restrictions of the current governance system make it even more difficult to secure the outside funding required for these improvements. The situation is made worse by financial difficulties, as not enough money is set aside to finance Waqf assets. Waqf land revenue is frequently used to pay for continuing costs, and there is a structural inability to lease land at prices that are competitive or to effectively collect rent arrears (Saad et al., 2019).

According to institutional theory, a sociological paradigm examines how institutions such as norms, laws, and values shape people's behavior in a specific environment. Based on this theory, organizations produce regular behavioral patterns that, while they might not always be logical, are frequently accepted without question by people who work within the system. It divides institutions into three categories: normative institutions, which are unwritten, socially accepted standards that shape behavior through peer pressure; regulative institutions, which are formal rules upheld by legal mechanisms like laws and regulations; and cognitive or value-based institutions, which are deeply rooted presumptions and beliefs that affect people's perceptions and interpretations of the world, frequently subconsciously (Mahalingam et al., 2007).

Long-term development has come under ongoing violence in addition to causing immediate pain. Because of the devastation of social services and infrastructure, there is a vicious cycle in which the lack of necessities feeds instability and makes recovery efforts much more challenging. Millions of Yemenis need urgent aid as the humanitarian crisis has escalated to frightening proportions. Logistical obstacles and persistent violence have impeded the efforts of the international community, underscoring the necessity of a more coordinated and persistent approach to relief delivery. On the other hand, Yemen's population's purchasing power has been diminished by hyperinflation, resulting in pervasive poverty, food insecurity, scarcity of water, and damage to healthcare facilities. Further restricting economic growth and development is the fact that the monetary instability has also discouraged investment. Restoring investor confidence and lowering inflation require stable currency values and sensible economic policies. The fiscal stability of Aden and Sana'a is seriously threatened by the two countries' separate monetary systems, and efficient currency management calls for a single strategy.

Sustainable growth requires good governance, and Yemen's current governance frameworks are inadequate to meet the demands of the populace. The efficacy of public institutions has been compromised by corruption, which has also been a significant obstacle to the implementation of crucial reforms. Decentralization of power, public institution strengthening, and anti-corruption measures are part of comprehensive governance reforms that are essential to restoring public confidence and creating a growth-

friendly atmosphere. In order to make sure that the existing strategy for providing humanitarian relief in Yemen is meeting the requirements of the people, it must be reevaluated. Although cash assistance gives clients choice and empowers them, it is not a cure-all. The most vulnerable populations must get aid, efforts must be made to increase the effectiveness and transparency of aid delivery, and dependency must be decreased by assisting regional development projects. The international community is also required to deal with the underlying causes of the conflict in order to establish a stable environment in which development and humanitarian aid may be effectively implemented.

For Yemen to recover and be sustainable over the long run, effective resource management is critical. By putting money into renewable energy, the nation may diversify its energy sources and lessen its influence on the environment while simultaneously opening up new economic prospects. A complex strategy that incorporates infrastructural development, climate change adaptation tactics, and sustainable farming methods is needed to address the water dilemma. It is essential to enhance the institutional capability to oversee these resources to guarantee that they facilitate Yemen's economic recuperation instead of intensifying pre-existing issues.

Prioritizing a number of strategic projects is necessary to ensure Yemen's long-term fiscal stability, thriving growth, and resolution of the ongoing unrest's issues. In order to lessen reliance on oil, small-scale businesses and the agricultural sector should be supported in order to achieve economic diversification. This boosts local economies and creates jobs in addition to improving food security. Additionally, spending money on renewable energy infrastructure—like wind and solar power—can lower reliance on fossil fuels and create long-term job prospects. In addition to these measures, executing sound monetary policies, bringing the monetary systems together, and stabilizing the currency through central bank reforms are crucial to containing hyperinflation and reviving the economy.

To fortify institutions and improve accountability, transparency, and the rule of law, governance and anti-corruption initiatives are also crucial. To boost the effectiveness of public services, reforms should involve strengthening local government and decentralizing authority. Improving the legal system and enforcing it strictly can help fight corruption, rebuild public confidence, and draw in both foreign and domestic investment. In addition, the emphasis should be placed on more effectively delivering development and humanitarian help, with a particular emphasis on cash-based support to empower recipients and boost local economies. Maintaining stability and long-term peacebuilding require funding for education and career development, repairing vital infrastructure, and assisting with international diplomatic initiatives. The remaining measures to mitigate the negative consequences of the conflict and build resilience in Yemeni society are to support vulnerable populations and promote social cohesion through community-based projects.

CONCLUSION

Yemen is currently experiencing one of the greatest humanitarian crises in history as a result of the prolonged conflict, which has severely hampered

economic and developmental progress. Food insecurity, poverty, and hyperinflation have reached previously unheard-of heights due to the intricate interactions of political, economic, and social variables. The problem has gotten worse due to corruption, a conflicting economy, and poor governance, making it difficult to recover economically. The report emphasizes how important it is to put in place significant governance changes, better resource management, and a more successful humanitarian relief plan. In order to guarantee long-term peace and security in the region, these steps are essential for stabilizing Yemen's economy and promoting sustainable growth. Yemen's road to recovery will continue to be challenging, and millions of its people will continue to live in hardship if these fundamental problems are not resolved.

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