The Yemeni Unification and Hungary

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Abstract. Although the idea of a united Yemen had been on the minds of the inhabitants of the Yemeni territories for centuries, it was not until May 1990 that it was actually achieved. The basic reasons for this were initially rooted in local tribal/ethnic and religious conflict of interest, which deepened after the foreign powers appeared and settled in the region. This division, a legacy of the foreign occupation, persisted after independence and by the late 1960s two socially, economically and ideologically distinct Yemens emerged in the southwestern part of the Arabian Peninsula. These crucial differences were the reason why it was only in the second half of the 1980s, largely due to a fundamental change in the foreign policy context, that there was a reasonable probability of achieving unity. In this context, the aim of the present study is to illustrate the reasons and contexts that have finally made centralisation possible. Moreover, it also wishes to present in detail Hungary’s position on the issue and its hopes and expectations for forming a united Yemen or the Republic of Yemen.


Creating a united Yemen had been complicated and fraught with tensions due to two fundamentally conflicting political legacies. On the one hand, the idea of ‘Yemen’ and ‘being Yemeni’, the sense of a shared cultural heritage, had always played a prominent role in the
country’s history, which goes back more than two millennia. This had not, however, meant a constant search for a common territorial and political unity, mainly due to tribal or local conflict of interests. Accordingly, political structures and their powers were determined by the various religious and dynastic communities on the basis of their own capacity to assert their interests, rather than on the basis of territoriosity, i.e. the land inhabited by Yemenis. The very idea of a ‘Yemeni state’ and ‘Yemeni identity’ emerged only in the country’s modern history as a consequence of the long-term British occupation (1839–1967) in the South and the Ottoman rule (1539–1634, 1849–1911) in the North. However, this territorial division was the main factor which was then the main reason for the emergence of two socially, economically and ideologically distinct Yemen in the south-west of the Arabian Peninsula by the late 1960s: the Yemen Arab Republic (YAR, also known as North Yemen) and the People’s Democratic Republic of Yemen (PDRY, also known as South Yemen). These crucial differences were the reason why, although the question of unification had been on the agenda continuously since the early 1970s, it was only in the second half of the 1980s, largely due to a fundamental change in the foreign policy context, that there was a reasonable probability of achieving it.

Hungary, like the other socialist states, had maintained diplomatic and economic relations with both parts of Yemen since the 1960s. This partnership was, however, essentially one-sided, with Hungary providing aid, mainly for ideological and political reasons, while trade flows were negligible. In Budapest, therefore, the news of the unification of Yemen was greeted with optimism and enthusiasm, which was expected to deepen economic relations.

In this paper, the authors provide an insight into the highly complex and often conflict-ridden process of unity in Yemen. In this context, they will focus their analysis mainly on the 1980s, when the foreign and domestic political conditions were mutually conducive to the rapprochement of the two entities. In presenting the foreign policy conditions, the authors focus on Hungary’s relations with the two Yemeni entities, its position on the issue of unification and its preliminary expectations of the unification process, based on the archival documents of the Hungarian National Archives.

**Changes in the 1980s**

From the early 1980s, decisive changes in the domestic political circumstances of the two countries, albeit for different reasons, seemed to encourage the rapprochement between
the Yemen Arab Republic and the People’s Democratic Republic of Yemen. In the North, President Ali Abdullah Saleh sought to strengthen the army and the political centre after the failed coup attempt against him in October 1978 and his defeat by southern forces in the border war of February-March 1979. To achieve this, the president had to win over and marginalise left-leaning individuals, while at the same time restricting — even by force — the various tribal interests and, in the case of the latter, slowly reducing Saudi influence over them, without the government risking losing the financial support it receives from Riyadh. Indeed, the northern tribes became more active with the support of Saudi Arabia, which feared the consequences of the Soviet-South Yemen Treaty of October 1979. Later that year, they formed the Islamic Front, close to the Muslim Brotherhood, and inspired by Ayatollah Khomeini’s Islamic revolution, to defend their religion from what they considered as the infidel leftist ideology of northern Yemen and its ‘communist’ ally, instead of the suspicious Saleh government. As a result, the Sana’a government had deployed significant military forces to regions of the country previously controlled and governed by large tribal alliances. They then reorganised the country’s administration and set up regional development authorities to catch up the more backward provinces (Burrowes 1991: 488). In this context, the socialist nature of the People’s Democratic Republic of Yemen was attractive to the Sana’a authorities, who were seeking to consolidate central power, as an effective counterweight to the influence of conservative forces and northern tribes.

The Saleh government’s move to intensify relations was also prompted by the realisation that the balance of power in inter-Yemeni relations had gradually tipped in favour of the Yemen Arab Republic over the years. Its position vis-à-vis the South was strengthened by the fact that it had a larger population, more opportunities for economic development and a more favourable financial situation thanks to remittances from migrant workers and various foreign aid programmes. Its advantage over the other Yemen became unquestioned when the Yemen Hunt Oil Company discovered commercial quantities of oil in the Marib Basin in July 1984.

Meanwhile, unlike in the developing Yemen Arab Republic, South Yemen’s import-dependent economy was in rapid decline and the country’s total industrial output fell from 17.3% in 1982 to 9.9% in 1985. According to Ali Salem al-Beidh, Secretary General of the

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2 For more details on foreign aid to Yemen, see: Weiter 1987: 419–423.
3 Ali Salem al-Beidh (1939 –): Yemeni politician, Secretary General of the Yemeni Socialist Party, Vice President of the United Yemen. For a detailed biography, see: Al-Naggar and Prantner 2021: 62.
Yemeni Socialist Party (YSP), this situation was due to the inappropriate use of industrial equipment, the high cost and poor quality of products, marketing problems and a failed employment policy, i.e. the emigration of skilled workers and the redundant employment of those who stayed at home. This negative trend had been accelerated by the steady decline in remittances from Yemeni expatriates, especially from Saudi Arabia, which had been one of the country’s main sources of income. By the second half of the 1980s, public finances were in a critical situation, mainly due to the financing of public welfare services, the considerable expenditure on the development of the army and the unanticipated consequences of the radical reforms and collectivisation introduced. The discovery of oil in the Shabwah area in 1986 did not help to stabilise the deficit on the balance of payments. The large-scale Soviet investment in the oilfield added some half a billion dollars to the already staggering high public debt of the southern Yemeni state to the Soviet Union and the socialist countries, while facilities were not completed, production was limited to 10,000 barrels per day, and the oil by-products were transported by truck to the Aden refinery, which was in a rather dilapidated state by then (Abdulsadiq 1985: 12–21; Naumkin 1985: 1–11; Stookey 1982: 80–92). The crisis was exacerbated by the country’s political isolation, which meant that it was not a member of any regional economic grouping, and its importance as a Soviet military base gradually declined after the declaration of perestroika (Katz 1992: 117–135). This was naturally accompanied by a drastic reduction in the other main source of income for the state, the considerable amount of aid that had been provided by the socialist states.4

The internal political situation was exacerbated by power rivalries between factions of the state party, which led to the outbreak of open civil war in January 1986. The brief but bloody power struggle gave the coup de grâce to the People’s Democratic Republic of Yemen. The armed forces were weakened, tribal and religious groups became more active and a new wave of refugees fled northwards. The massacre, which claimed nearly 10,000 lives between 13-24 January, led to a virtual replacement of the leadership in the state party of South Yemen. Former President Ali Nasser Mohamed was forced to flee the country, along with some 20,000 of his surviving followers, and nearly 5,000 former officials were imprisoned (Stanzel 1988: 265–266). The state party suffered losses from which it could not recover. Thus, the attempts to repair the damage, the liberalisation of political and economic life, the tours of the socialist countries in the hope of obtaining new aid and legitimacy, and

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4 For example, according to Western figures, Soviet aid to the PDRY in 1989 was barely $50 million (MNL OL 1).

**Implementation of the unification**

The 1986 massacre in South Yemen and the wave of emigration that followed in its wake also led to serious tensions between the two Yemeni states. A further problem was the heavy burden, both political and financial, placed on the Yemen Arab Republic to receive and support refugees from the South. To make matters worse, former President Ali Nasser formed a ‘legitimate leadership’ of the YSP Central Committee from among his followers, which he led in talks in several Arab capitals. Despite several subsequent internationally mediated talks to stabilise the situation, the weak and divided Aden leadership was unwilling or unable to reconcile with the former president and his followers who had fled to the North to allow them to return and thus reduce pressure on Sana’a.

The rapprochement between the two countries had also been hampered by the impact of developments in the Middle East. In the Iraq–Iran war, the Yemen Arab Republic not only joined the anti-Iran bloc led by Saudi Arabia, but also supported Saddam Hussein by sending arms. The country also re-established diplomatic relations with Egypt in November 1987, following the Amman summit of Arab heads of state, as did several Arab states. The Democratic People’s Republic of Yemen, on the other hand, refused to join the pro-Iraqi alliance, even though it had clearly condemned the attacks by Iranian planes on Kuwaiti tankers. It was also clearly reluctant to resume relations with Cairo.

The merger negotiations themselves had also caused particular difficulties. The Yemen Arab Republic, recognising its advantage over the other Yemen, had been constantly pressing its partner for a rapid agreement and the early unification of the two states. However, despite its precarious political and economic situation, Aden refused to do so. It insisted that the draft constitution should be put to public debate in both countries and that the union should be completed in 5 years instead of the 2-3 years advocated by Sana’a (Halliday 1990: 134–135).

However, despite ongoing discussions, mutual suspicion and rivalry between the two countries persisted. This was clearly demonstrated at the end of 1987 when another oil crisis emerged. Following the completion of the Marib-Salif pipeline, the Yemen Arab Republic began exporting oil in December 1987. In the same period, however, the Soviet
Technopromexport engineering company also discovered significant fields in the PDRY, in the so-called ‘neutral zone’, estimated at three times the reserves assumed in the YAR. As the newly identified oil deposits were located in the region where the boundaries of each state’s sovereign territory had not previously been precisely defined, relations soon deteriorated and armed confrontations broke out in the disputed border zone when foreign oil exploration groups began operating there. In order to prevent another outbreak of open war, President Saleh and Secretary General al-Beidh held talks in April and May. The negotiations proved successful and the two leaders signed a major inter-Yemen agreement on 4 May 1988 (Burrowes 1991: 490, 500; Dunbar 1992: 459).

Ensuring the continued production and development of oil was in the common interest of both states. Thus, oil, which threatened to trigger another war, became an important catalyst for the unification process with the May 4 treaty. Days after the signing of the agreement, opposing armed forces were withdrawn from the border zone and plans were made to open the treaty’s jointly controlled section of the border in July. At the same time, the oil ministers of the two states began negotiations and in November 1988 set up a joint venture, the Yemen Company for Investment in Oil and Mineral Resources, to exploit the estimated 5 billion barrels of oil reserves in the neutral zone, which could begin operations in early 1989 in partnership with Total, Hunts, Exxon, the Kuwait Foreign Petroleum Company and two Soviet companies (MNL OL 1). As a result of the coordination of the common Yemeni oil policy, oil exports accounted for more than 90% of total YAR exports in 1990. Meanwhile, commercial extraction of oil and natural gas reserves had also begun in South Yemen, processed by a refinery in Aden with a capacity of about 7 million tonnes. At the same time, the construction and interconnection of the pipeline network between the two Yemeni states was well underway (MNL OL 2).

Relations were also deepened when, in the spring of 1989, after a three-year hiatus, the Secretariat of the Supreme Yemeni Council met again, and the People’s Democratic Republic of South Yemen showed its willingness to grant the amnesty that Sana’a had been advocating for to political refugees of the January 1986 massacre for years, as well as discussions on the refining of crude oil extracted in the North in Aden (Burrowes 1991: 490–491).

By the end of 1989, thanks to the successful conciliation negotiations, the trust that had developed between the parties allowed the realistic realisation of unification to be put back on the agenda after a hiatus of several months. At the end of October, the Joint Committee of the United Political Organisation met for the first time. Four weeks later, the President of North Yemen and the Secretary General of the State Party of South Yemen
reached an agreement on the unification of the two parts of the country. The joint draft constitution, which had been prepared earlier, was ratified and the so-called “Aden Agreement”, signed on 30 November, provided that the parties would achieve union within a year on the basis of the constitutional vision issued in December 1981. An organising committee was set up to work out the necessary steps and reduce the structural contradictions between the two systems.

To ensure that the preparatory work would be effective, the two states also agreed to ensure the legitimacy of the ruling parties in the two parts of the country — the Yemeni Socialist Party in the South and the General People’s Congress in the North — in the unified state. They decided to introduce a multi-party system based on democratic principles, and mandated the Joint Commission of the United Political Organisation to initiate a dialogue with all national political forces so that they could also be part of the new system (Braun 1992: 176).

At the political level, in addition to taking these steps, they emphasized the liberalisation of the economy, the introduction of freedom of the press, freedom of speech and assembly, and compensation for the victims of previous expropriations. As a further concrete step towards the unification of the two states, committees were set up in January 1990 and mandated to work out the merger of the armed forces and internal security organisations (Braun 1992: 176–177). In addition to the discussions on this subject, the free movement of Yemeni citizens between the two parts of the country without passports, who were given the opportunity to start tax-free businesses in both countries without any restrictions, had a positive impact on the process. In addition, direct telephone connection was built out between the two state-entities, joint foreign consular protection was established, and the unrestricted movement of each other’s military personnel and vehicles was allowed (MNL OL 1).

The government’s rapidly unfolding preparations for unification met with a very favourable response, especially from the countries of the West and the Far East, which supported its early realisation with various aids, mainly on economic grounds. The British Foreign Secretary Douglas Hurd and the Italian Prime Minister Giulio Andreotti personally visited Aden in December 1989, where an economic delegation from West Germany held talks a month later, during which aid of 100 million marks was offered to the PDRY (MNL OL 1). Despite their possible reservations, the process was also not hampered by the Arab states bordering the two Yemens. Oman was the most open of all to the unity that was unfolding under the leadership of Sana’a, as it guaranteed the elimination of the Aden bases of hostile activity against the Sultanate. In addition, the Secretary General of the Arab
Cooperation Council publicly stated that the possibility for the PDRY to join was a given, which even Saudi Arabia did not officially oppose despite having serious concerns about the reduction of its influence and the creation of a united and strong Yemen, and the economic and military challenges that the latter could pose (MNL OL 1).

However, despite the positive reception abroad, the planned union evoked markedly different emotions in the population of the two countries. Part of the southern public clearly looked forward to the unification, hoping for the reunification of families, improved price prospects, better working conditions and freer business opportunities, as well as a greater share of the country’s oil wealth. The northerners were also attracted by the South’s more unconstrained way of life, its lack of strict religious regulations and its economic vulnerability, which they saw as an opportunity to further increase their personal influence and profits (MNL OL 3). However, even more important than pragmatic considerations were the sense of Yemeni nationalism and the ideal of a united, strong Yemen, which the politicians themselves consciously tried to deepen in their statements. On the other hand, the fact that the two parts of the state had markedly different social structures and their own party and state leaderships, which sought to gain the best and most positions possible within the new state formation, worked against unification. In addition, the idea of union had a destructive effect on the southern armed forces, whose members predicted that they would be at a disadvantage vis-à-vis the northern forces, which they considered less equipped, trained and effective (MNL OL 3). Eventually, the northern tribes, for example, feared both the diminishing importance of their positions as the influence of central power grew, and the strengthening of a unified national army through the integration of well-equipped southern armed forces. On the other hand, in line with the Muslim Brotherhood, they rejected cooperation with the Aden socialist regime, which they considered to be merely atheist-communist, thereby as a source of serious moral deterioration. Finally, they were alarmed by the provisions of the pending party law, which, among other things, excluded the formation of parties on religious and tribal grounds, required the observance of democratic norms within and outside the party, and considered the acquisition of power to be possible only through political means (MNL OL 4). Dissatisfied tribes joined forces with conservative business circles to defend their interests, alongside Islamist forces. Soon spontaneous riots broke out in several tribal regions, while in the cities Islamists organised demonstrations (Braun 1992: 177). All these factors, together with the fluidity and complexity of the constantly changing situation, led foreign diplomats in the first half of 1989 to consider the union of the two parts of Yemen, even in the best-case scenario, as a medium-term prospect (MNL OL 3).
However, Islamist forces became active not only in the North but also in the South, and persuaded an active propaganda against the Union following the liberalisation of political life. The situation was exacerbated by the return to political life of former exiles who had been granted amnesty, which accelerated the slow erosion of the regime. In the final phase of the disintegration, with the regime changes in the socialist countries of Central and Eastern Europe and the dissolution of the community of socialist states, Aden effectively lost its legitimacy and economic basis. This already prompted the South Yemeni leadership to abandon its reticent position and to implement the union as soon as possible. The last obstacle was removed in May 1990, when the Soviet Union gave its consent to unification. Thus, on 21 May 1990, the 1981 draft constitution was adopted by both Yemeni legislatures, and the following day President Saleh proclaimed the Republic of Yemen in Aden. Two days later, President Ali Abdullah Saleh of northern Yemen was elected as the first President of the united Yemen, while the former leader of the southern state, Ali Salem al-Beidh, was appointed Vice-President.

Hungarian echoes of the unification of Yemen

Hungary had maintained relations with the two Yemens, albeit to varying degrees, since the 1960s. The relationship was determined by political considerations and the position of the Warsaw Pact states, in particular the Soviet Union, in accordance with conditions and circumstances of the Cold War. Thanks to the latter, cooperation was mainly focused on socialist-oriented South Yemen until January 1986, when commercial considerations replaced ideological and political ones in economic relations. It was also the period when an initiative was taken to revive relations with North Yemen, which had been in decline since the early 1970s due to its rapprochement with the West and its cooperation with Saudi Arabia.

The change of regime in Hungary and the establishment of the Republic of Yemen, which had become strategically and economically more valuable, created a new situation. With an increased territory (527,970 km²), population (nearly 12 million), military potential and natural resources, the creation of a state fundamentally changed the political and

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5 In line with the foreign policy of the time, Hungary established diplomatic relations with South Yemen as early as after the declaration of its independence in 1967, opening an embassy there in 1978. In the first half of the following decade, state and party contacts between the two countries developed dynamically. In accordance with the agreements concluded, among other things, South Yemeni scholarship holders, soldiers and policemen were able to study and train in Hungary, Hungarian experts worked free of charge in the Arab country, and South Yemeni patients were treated in Hungary. In addition to all this, the Hungarian state also provided economic assistance until 1982, after which cooperation in this area shifted to cash matters (MNL OL 5).
economic landscape of the Arabian Peninsula. Its increased importance and the relations previously established with the two regions gave rise to hopes in Hungarian foreign affairs that Hungary would be able to develop a perspective of cooperation with the new unified state, primarily in the economic and trade fields.\(^6\) In order to achieve the latter, it became necessary to rationalise the existing Hungarian representations as soon as possible, i.e. to establish an independent embassy in Sana’a, and to close down the former foreign representation in Aden by the end of 1990.\(^7\) Subsequently, Hungarian foreign policy focused on economic cooperation based on mutual economic benefits in the development of Hungarian-Yemeni interstate relations. To this end, it attached particular importance to the preservation and expansion of the market for Hungarian products already introduced to the Arab country, and to the exploration of new economic opportunities, which it sought to pursue independently of the political conflicts in the region. However, the conditions in Yemen, which were initially seen as favourable (e.g. the growing absorption capacity of the Yemeni domestic market, the rise in oil revenues, and the increasing demand for imports generated by the latter), soon lost their relevance and the initial hopes proved to be illusory.

The Hungarian side initially viewed the developments in Yemen with optimism in many respects. It was seen as a favourable condition that after the establishment of unity, the YAR’s hitherto moderate foreign policy became dominant, which sought to maintain balanced relations with various groups of countries and the great powers. A further aspect was that it had special relations with Arab states (e.g. Egypt, Iraq or Jordan) in the region with which Hungary had already managed to build up a well-functioning network of relations on a broad basis. They also noted with relief over the satisfaction with which the North Yemeni leadership viewed the regime changes in East-Central Europe. Lastly, it was seen as a sign of openness on Sana’a’s part not to criticise the former socialist countries for developing their relations with Israel, unlike many Arab states, and to stay out of the propaganda campaign over the transfer of Soviet Jews (MNL OL 8).

\(^6\) Despite traditional political-diplomatic relations with North Yemen, the volume of trade and economic cooperation between the two countries was negligible. Thus, in 1989, Hungary imported nothing from the country, while the annual value of Hungarian exports to the country fluctuated between $2-3 million. In addition, about one third of the latter was made up of reimbursements for Hungarian medical experts working there. By way of comparison, the Soviet Union’s direct exports were $21 million, the GDR’s $2.7 million, Czechoslovakia’s $2.9 million, Romania’s $2.1 million and Bulgaria’s $1.3 million in the same year (MNL OL 6).

\(^7\) Until the creation of a unified Yemen, Hungary’s diplomatic representation was provided by a resident ambassador in the PDRY, while in the YAR the Hungarian diplomatic mission was headed by a temporary representative, and the ambassador was accredited from Kuwait (MNL OL 7).
However, it soon became clear that expectations of a dynamic relationship were illusory for a number of reasons. First and foremost, the Yemeni leadership focused, especially in the first months, on the practical implementation of unification, in particular on the establishment of a unified public administration for the new entity and the elaboration of the constitutional framework. The development of Hungarian-Yemeni relations was therefore a negligible aspect for them, especially after the Hungarian side clearly refused to renew the form of assistance previously granted to the PDRY based on unilateral benefits (MNL OL 9).

In this respect, however, the main obstacle was the marked differences between the two regimes, which surfaced very quickly and culminated in domestic political tensions. It was clear from the outset that unification could only be achieved because of the vulnerable position of the South. After the proclamation of the new unified state, the hitherto restrained centralisation of the North at the expense of the South became increasingly evident. Thus, although it was agreed in the preparatory negotiations to set up neutral institutions and share important posts equally, the North gradually usurped key positions in the new state. However, where posts were shared as previously agreed, there was often chaos due to overlapping spheres of authority and differences in mentality. Despite the declared principles, the Union existed in many respects only on paper, and after 22 May, for example, there was no harmonisation of finance, communications and the army.

The critical crisis of the economic and financial situation in Yemen was another decisive turning point in the process of the recovery of Hungarian-Yemeni relations from a stalemate. The fact that the merger brought together two parts that were already struggling with payment problems was in itself a huge financial burden for the new state. This was accompanied by a commitment from the government to increase salaries following the declaration of the Union, despite limited financial resources. However, the viability of the state was directly threatened when, in the 1990-1991 Gulf War, Yemen sided with Iraq in the hope of gaining oil-rich border areas disputed with Saudi Arabia and opposed or abstained from voting on a number of resolutions in the UN Security Council against the Arab aggressor state. Its friendship for Iraq and the rumours of direct support to the regime in Baghdad have not only isolated it diplomatically, but have also led the US, Saudi Arabia and the Gulf States to freeze aid and investment and expel Yemeni workers and businessmen who

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8 For example, according to the Central Bank of Yemen, the trade turnover of the north of Yemen, which enjoys more favourable economic conditions, ended 1989 with a deficit of $745 million. The deficit in the balance of payments was barely mitigated by a $50 million asset in so-called "invisible" trade (MNL OL 8).
were working in their countries.\(^9\) Revenues from the export of 60 million litres of alcohol a year via Yemen, the smuggling trade and the export of the narcotic drug qat, for example, were also at risk (MNL OL 10). All this, in addition to significantly reducing the financial revenues of the state\(^{10}\), has created inflation, radically increased the unemployment rate between 25-40% in a short period of time, depending on the region, substantially reduced internal purchasing power and pushed around 15-35% of the total population to or below the poverty line (Nonneman 1997: 74). In this situation, oil extraction was not a viable alternative to offset losses, even despite rising international oil prices.\(^{11}\) In addition, as a further consequence of the Gulf War, the utilisation of the Aden refinery has fallen to just under 20% with the cancellation of Gulf shipments that had previously supplied the facility (MNL OL 11). It was therefore entirely thanks to the private sector that the economic collapse of the country did not occur. However, private entrepreneurs, especially from the north, often used special governmental import-export licenses for speculation, mainly at the expense of the southerners, which further deepened the already existing tensions between the two parts.

In the financial crisis, the Yemeni government’s policy was essentially aimed at improving its solvency. Thus, only those foreign companies have been able to remain economically active in Yemen whose capital-rich home countries (e.g. Saudi Arabia, the Netherlands, Japan, West Germany, France, Italy or the UK) have been able to run aid programmes or finance investments in the Arab state with long-term, preferential loans, which these companies were then commissioned to carry out. From Hungary’s point of view, this meant that it could only rely on government contracts from the Yemenis to a very limited extent in the short term. Therefore, Budapest saw the opportunity to develop cooperation mainly in the private sector, which was able to remain vibrant even in the problematic circumstances that arose.\(^{12}\) It also wanted to place great emphasis on further strengthening cooperation between the two countries in the field of health, which had undoubtedly been a success area of the partnership between the two countries for decades (MNL OL 9). However, this required mainly the organisation of product demonstrations on the spot, the elimination of

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\(^9\) Between September 1990 and mid-1991, at least 800,000 Yemeni citizens - about 8% of the total population - returned home from Saudi Arabia alone. The problem was exacerbated by the fact that, although most returnees were able to move back to their home towns/villages, some 60,000 person had to be placed in refugee camps (Nonneman 1997: 74).

\(^{10}\) For example, the value of remittances from Yemeni expatriate workers alone was $350 million in 1989, with a sharp downward trend (MNL OL 8).

\(^{11}\) In the united Yemen, 215,000 barrels of oil per day were brought to the surface at the end of 1990, mainly in the north of the country (MNL OL 11).

\(^{12}\) Hungary’s direct trade with Yemen was about $3 million in 1990. This amount was expected to double to $6 million the following year, mainly after the smooth execution of the Hungarian Bábolna and Medimpex contracts (MNL OL 9).
financial problems hampering Hungarian pharmaceutical shipments, and the improvement of the situation of Hungarian medical experts, while the free employment of Hungarian experts in Yemen and the free training of Yemenis in Hungary were gradually phased out. Finally, in order to compensate for the lack of capital in Yemen, it set the objective of using external financial funds or foreign prime contractors to seek the possibility of participating in the implementation of projects financed by foreign aid, and of obtaining foreign financial resources for the maintenance and continuation of institutions, expert programmes and training activities previously implemented in Yemen with Hungarian participation. In addition to this, there were encouraging signs of deepening relations between the two states in another specific area, that of Hungarian-Yemeni military relations. Although Yemenis were forced to postpone the consideration of Hungarian offers in this regard as well due to the critical economic conditions described above, they nevertheless emphasized their willingness to cooperate with the Hungarian armed forces. The latter was foreshadowed by the reception of the agreement concluded on financial terms favourable to the Yemenis on the continuation of the training of their officers in Hungary and the medical examination of their pilots, as well as the negotiations of the delegation led by the Yemeni Deputy Chief of General Staff (MNL OL 12). In order to build good relations and in return for the expected benefits, Hungary has also shown a willingness to postpone the recovery of Yemen’s debts worth $12-13 million (MNL OL 13).

Conclusion

The worsening economic situation led to an initial discontent among the southern population, already vulnerable to the challenges of a liberalised economy, with the introduction of income tax, as their markets were flooded with products from northern businessmen while their speculators bought up the cheap food products. This led to soaring prices and a further rapid rise in the number of unemployed in a short period of time, leading to demonstrations and strikes. The government merely froze the prices of certain products in July 1990 in response to growing social discontent. However, no development was undertaken to remedy the problems or at least to mitigate their effects, as the state had neither coherent regional development plans nor the economic potential to implement them. The launch of new businesses financed by private initiatives was also delayed, as northern

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13 Hungary has sought to increase its activity mainly in the health, agriculture and water sectors by using foreign financial resources (MNL OL 9).
businessmen with significant capital were reluctant to invest in southern production while wealthy South Yemeni expatriates were hesitant because of unclear ownership. For the latter, distrust of the government was further deepened by the fact that, despite often repeated promises, only a fraction of the previously confiscated assets were compensated (Braun 1992: 182–183; Destremau 1994: 112–115; Nonneman 1997: 76).

In mid-May 1991, the new state constitution was passed, which was a huge disappointment to the population. Contrary to expectations, it inherited not only the advantages but also the disadvantages of the two previous regimes, such as the marginalisation of women’s rights and the legalisation of the consumption of the narcotic plant qat, which only served to exacerbate the differences between the two parts. The government’s position was made even more difficult by the fact that the economic crisis also fuelled discontent among the northern tribes and warlords, who from the outset resented centralization and unification with the South. To represent them politically, Abdullah al-Ahmar, the most respected tribal leader in the North, founded the Yemeni Reform Movement, al-Islah, under the banner of defending the tribal republican system that had been in place since 1967. After the establishment of the new party, demonstrations and strikes were organized almost daily from the end of the year (Braun 1992: 177–180; K.L. 1994: 15).

As a result of this and the escalation of disputes over the distribution of oil revenues, relations between the two leading parties implementing the Union deteriorated significantly, and their rivalry escalated, as they feared a loss of their former influence. In this highly explosive situation, the conflict between President Saleh and Prime Minister al-Beidh was therefore only the spark of the rift, which was triggered by the shift to the right in the three-party coalition government following the April 1993 elections and the radical increase in political intimidation and assassinations of YSP MPs. This led to the outbreak of a civil war on 5 May 1994, after the latter returned to Aden, withdrew the southern armed forces from the North, and began to reorganise the pre-unification state despite various attempts at mediation. The fighting lasted until 7 July, when Aden fell. With the defeat of the South, the unification of the two parts was practically achieved at a very high cost, both financially and politically. But more importantly, the violent implementation of the union put into question for a long time the chances of realistic national integration between North and South (Dresch 2000: 183–198; al-Saqqaf 1999: 157–159).14

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14 For more on the background and events of the 1994 civil war, see also: Kostiner 1996; al-Suwaidi 1995.
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