Subnational Governance in Divided Societies: Learning from Yemen to Inform Libya's Peace Process

Mohamed Aziz Mrad

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Executive Summary

Since 2011, Libya and Yemen, despite their different trajectories, social fabrics, and political histories, have faced comparable challenges in reconstructing credible systems of subnational governance. In both countries, the weakening of central institutions created space for local actors to assume responsibilities ranging from service delivery to dispute mediation and security management. These improvised arrangements often responded effectively to immediate needs but also exposed deeper structural issues: fragmented authority, overlapping mandates, and persistent tensions between demands for local autonomy and the requirements of national cohesion.

A key parallel lie in the long-standing patterns of hyper-centralization that shaped governance before 2011. In both contexts, decentralization was frequently invoked but rarely implemented, fuelling regional grievances and undermining trust in state institutions. The absence of a clear and stable constitutional framework since 2011 has further complicated the picture, encouraging the rise of ad hoc governance practices. In Libya, municipal councils, local armed groups, and city-level actors have taken on expanded roles amid inconsistent legal amendments. In Yemen, the erosion of central oversight during the war shifted authority toward governors and local networks, leading to asymmetric capacities among governorates. These de facto systems now constitute an essential component of the governance landscape in both countries.

Oil and gas have also played a defining and often destabilizing role. Rather than serving as an accelerator of development and regional equality, hydrocarbons became the center of political competition. In Libya, control over oil wealth has shaped alliances and rivalries among armed and political actors. In Yemen, disputes over resource allocation—combined with regional interference and attacks on export facilities—have deepened fragmentation and strained public finances. These experiences underscore the importance of establishing transparent, equitable, and predictable mechanisms for resource management within any broader governance arrangement.

The trajectory of Yemen's transition, particularly the National Dialogue Conference (NDC) and the work of the Constitutional Drafting Commission (CDC), provides a detailed example of the complexities involved when sensitive issues such as decentralization, territorial administration, and resource distribution are addressed during political transitions and how, if these issues are poorly handled, they can further deepen regional grievances and ultimately lead to renewed conflict. Yemen's experience shows how broad agendas, unclear mandates, unrealistic timelines, and ineffective symbolic representation can complicate efforts to reach durable agreements on subnational governance. The debates surrounding federal arrangements, especially the contentious six-region proposal, highlight the need for clarity, procedural legitimacy, and meaningful participation when addressing territorial restructuring. The experience of the and the CDC thus offers valuable lessons for any future discussions in Libya concerning subnational governance arrangements, reminding stakeholders of the importance of inclusive dialogue, well-defined mandates, and realistic timelines to mitigate tensions and avoid destabilizing outcomes.

For Libya, these comparative reflections offer elements that can inform current and future discussions on subnational governance. They point to the importance of grounding debates in existing local realities, ensuring that institutional and community actors are substantively engaged, and creating structured spaces where political, administrative, and fiscal dimensions can be addressed coherently. By considering these experiences within their own context, Libyan stakeholders may be better positioned to develop governance arrangements that support stability, equitable resource distribution, and a more inclusive political settlement.

1.   Introduction

Since its independence in 1951, Libya has grappled with the persistent question of how political authority and state resources should be distributed across its vast and socially diverse territory. The tension between centralization and regional autonomy is not a recent development but is rooted in the very formation of the Libyan state. During the UN-led independence process (1949–1951), Cyrenaica, Tripolitania, and Fezzan were brought together into a single state through negotiations that were shaped far more by external influence and elite bargaining than by broad national deliberation.[1] The National Assembly, selected rather than elected and balanced equally across the three provinces,,[2] produced a constitution whose legitimacy was contested from the outset. Although the 1951 Constitution established Libya as a federal monarchy that granted residual powers to the regions, effective authority remained concentrated in the King, who dominated the executive, judiciary, and half the Senate. In practice, meaningful federalism never developed.[3]

In 1963, five years after the discovery of the first oil field, federalism was formally abolished. The state was reorganized into ten administrative units governed by centrally appointed officials, inaugurating a long period of hyper-centralization. The growing concentration of oil revenues in Tripoli deepened regional inequalities, particularly between east and west, and reinforced the perception that political and economic power were monopolized by the center. The lack of transparent mechanisms for resource sharing and the absence of inclusive dialogue further entrenched grievances that would resurface decades later.

Gaddafi's 1969 coup accelerated this trajectory. Although the Jamahiriya claimed to rest on "popular power" exercised through People's Congresses and Committees,[4] it institutionalized an intensely centralized and personalized system of governance. Decision-making was monopolized by Gaddafi and his close circle. Local bodies functioned largely as vehicles for surveillance and top-down control, rather than as autonomous institutions, while the concentration of oil wealth in the hands of the revolutionary leadership prevented the emergence of local governance structures. For over four decades, Libya operated without effective subnational institutions, meaningful elections, or constitutional checks on the executive.

The 2011 revolution brought down the highly centralized Jamahiriya order but failed to produce a coherent alternative. The transition exposed deep regional, ethnic, and linguistic cleavages that had been suppressed under Gaddafi. In the east, widespread perceptions of marginalization and neglect, whether fully accurate or not, played an important role in mobilizing early protests. Minority groups such as the Amazigh, Tuareg, and Tebu asserted historical rights and rejected renewed forms of exclusion. Foreign political and military interventions further fractured the landscape. As central authority collapsed, municipal councils, armed groups, and city-level actors assumed de facto control, generating a form of ad hoc decentralization driven by local power dynamics rather than by deliberate institutional reform.

Libya's recent history has thus been marked by alternating patterns of excessive centralization and fragmented localism, without an inclusive or legitimate framework for allocating power and resources. The absence of a sustained national dialogue on governance and fiscal equity continues to shape the country's political instability. The central challenge today is how to reconcile the emergence of trusted local governance actors with the long-term necessity of a capable, unified national state, one that can manage resources equitably, foster national cohesion, and support a coherent system of subnational governance.

Building on this historical and political context, this paper aims to provide avenues for reflection and open the debate on subnational governance, using the Yemeni case as a central point of comparison. It seeks to offer practical insights and lessons for Libyan decision makers and civil society actors.

In this paper, the terms "subnational governance" and "local governance" are used interchangeably to refer to the organization and functioning of governance below the central level. In the Yemeni and Libyan contexts, these terms are

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1   United Nations General Assembly. "Admission of New Members to the United Nations". Resolution A/RES/289(IV)A (1949). November 1, 1949. https://docs.un.org/en/A/RES/289(IV).

2   Adrian Pelt, Libyan Independence and the United Nations: A Case of Planned Decolonization (New Haven: Yale University Press, 1970), 221.

3   Al-Ali, Zaid. "Libya." Chapter. In Arab Constitutionalism: The Coming Revolution, 102–25. Cambridge: Cambridge University Press, 2021.

4   General People's Congress, Great Green Charter of Human Rights of the Jamahiriya Era. Adopted in al-Bayda, 12 June 1988, https://security-legislation.ly/latest-laws/great-green-charter-of-human-rights-of-the-jamahiriyan-era/.

preferred because they cover different degrees of devolved authority from the central government to local bodies without requiring a prior debate on the constitutional form of the state. Whether the system involves decentralization understood as the transfer of decision-making powers and resources to local entities; federal arrangements based on a constitutional division of authority between central and regional governments; deconcentration, where local administrations execute central decisions without substantial autonomy; or a mixed model combining elements of all three, each falls under the broad category of local governance. What differentiates them is the extent of power devolved.

By using these broader and more neutral terms, the paper avoids advocating for a specific model. The constitutional nature of Libya's future governance system should ultimately be determined by Libyans themselves through inclusive political dialogue and negotiation. The aim here is not to prescribe a constitutional blueprint but to draw comparative lessons from the experiences of Yemen and Libya, highlighting the opportunities and challenges involved in structuring governance beneath the national level.

The paper proceeds as follows. The first section outlines the key similarities between Yemen and Libya and traces the evolution of their local governance systems to clarify the current state of subnational governance in both countries. This comparative approach is essential, since any future settlement in either context will inevitably rely on existing local institutions which, despite operating through ad hoc mechanisms and under inconsistent legal frameworks, have often demonstrated real capacity in service delivery and day-to-day governance. The second section examines the main weaknesses of Yemen's transition process, with particular attention to the National Dialogue Conference (NDC) and the work of the Constitutional Drafting Commission (CDC). By drawing out these shortcomings, it identifies lessons that may guide Libyan actors considering the creation of a boundary delimitation committee tasked with drafting proposals for administrative divisions, and more broadly, the challenges of designing inclusive and effective frameworks for subnational governance in deeply divided societies.

2. Key Similarities in Subnational Governance: Yemen and Libya

Despite distinct historical, political, and religious trajectories and different degrees of centralization, both Yemen and Libya exhibit strikingly similar challenges in the realm of subnational governance. These parallels, outlined below, are key to understanding the enduring obstacles to designing effective governance frameworks at the subnational level in both countries.

2.1. Hyper-Centralization and Superficial Subnational Governance Efforts

Both countries, despite adopting the language of decentralization in their respective histories, have ultimately maintained systems marked by hyper-centralization and only a semblance of local autonomy.

In Libya, the central government, both under the monarchy and later Gaddafi's Jamahiriya system, established an ostensibly participatory structure of Popular Committees, which in practice served as instruments of surveillance and regime control rather than authentic vehicles for local empowerment. Under Gaddafi's 42-year rule, Libya's state formation was shaped by his political, economic, and social ideology based on his famous Green Book. Politically, he criticized the parliamentary system of liberal democracies because of its lack of direct political participation. He proposed the General People's Committee as a direct democracy tool instead of the parliamentary system. Socially, he recommended an equal society and stressed the importance of family, tribe, education, and male-female relations.[5]

Similarly, in Yemen, the transformation, in 1984, of independent Local Development Associations (LDAs) into centrally controlled Local Councils eroded genuine local autonomy, redirecting elite loyalties toward the capital,[6] and putting an

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5   Randall Edward, "After Qadhafi: Development and Democratization in Libya." Middle East Journal 69, no. 2 (2015): 205. https://doi.org/10.3751/69.2.12

6   Local Development Associations (LDAs) in Northern Yemen are spontaneous community-based organizations that emerged in the 1970s to address local development needs in rural areas where state presence was limited. They have played a vital role in delivering basic services such as water, education, and infrastructure, often through voluntary community efforts. Amid state collapse and conflict, LDAs have regained importance by filling governance gaps and coordinating local responses, making them key grassroots actors in Yemen's fragmented governance landscape and potential pillars for future decentralization efforts.

end to ad-hoc decentralization system in the North. In the south, the new state was built on the model of "democratic centralism" promoted by the Soviet Union.[7] This pattern deepened after 1990 unification and the discovery of oil, through the concentration of fiscal and political power in Sana'a and the subjugation of local interests to central priorities.[8] In 2000, a Local Authority Law (LAL) was adopted that placed very little real authority in the hands of local administrations and locally elected councils, all of which were obligated to implement or respect policies that were developed by the central government.[9] The LAL allocated revenue sources mainly to the central government, leaving local authorities heavily dependent on central allocations, which made up over 90% of their budgets until 2016.[10] To cover remaining costs, local authorities often resorted to selling public land, sometimes at below-market prices to regime insiders, especially in the south. The LAL also empowered the president to dissolve local councils "*in the national interest*," allowing for significant central interference and ensuring that local governance operated according to central priorities and patronage networks. Despite formal provisions for local autonomy, in practice, these were largely ignored, as key local officials were appointed by the president and remained accountable to the central government, undermining genuine decentralization and local self-governance.[11] Some argued that the LAL was designed "*to prevent serious effective decentralization*,[12] and in order to create entry points for national elites into local contexts that were previously closed to them.[13]

2.2. Absence of a Clear Constitutional Framework since 2011

Since 2011, the absence of clear constitutional framework has left both countries without a coherent framework for decentralization, undermining efforts to build effective and accountable governance at the subnational level.

In Libya, the post-2011 period has been governed by the Constitutional Declaration and its thirteen—often contradictory—amendments, coupled with a legal ambiguous relationship to the 2015 Libyan political agreement.[14] This institutional uncertainty has been compounded by the 2017 constitutional draft, which deferred critical details of local governance to future legislation, thereby preventing the entrenchment of genuine subnational authority.

Yemen, by contrast, nominally retains the 1991 constitution, however, its practical application is minimal, even in areas under the Internationally Recognized Government (IRG) control, resulting in a legal framework that is either inconsistently applied or disregarded entirely. This constitutional indeterminacy in both cases undermines the establishment of durable and effective governance architecture at the subnational level.

Creation of an ad-hoc system of subnational governance he mismatch between the local governance legal framework and the political-security dynamics on the ground has led to the emergence of an ad hoc subnational governance system which, despite its informal nature, functions to some extent and could serve as a basis for future discussions on decentralization.[15]

In Libya, Law 59 of 2012 represents the main legal framework, establishing governorates and municipalities with legal personality and financial autonomy. However, the failure to operationalize the governorate tier, the limited powers granted to municipalities, and the continued control of core services by central ministries have made the system largely ineffective.

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7   Benoit Challand and Joshua Rogers, "The Political Economy of Local Governance in Yemen: Past and Present", Contemporary Arab Affairs 13, no. 4 (2020): 55, https://doi.org/10.1525/caa.2020.13.4.45.

8   M.-L. Clausen, "Decentralization as a Strategy of Regime Maintenance: The Case of Yemen," Public Administration and Development, 40, no. (2020), 119–218, at 122.

9   "Yemen Law Concerning Local Authority (August 2000)," ConstitutionNet, accessed July 15, 2025, https://constitutionnet.org/vl/item/yemen-law-concerning-local-authority-august-2000.

10   Academic and Political Activist in Sana'a, Local Revenue and Resource Allocation (Berlin: Berghof Foundation, 2018), 6, https://berghof-foundation.org/library/local-revenue-and-resource-allocation

11   Challand, Benoit, and Joshua Rogers. "The Political Economy of Local Governance in Yemen: Past and Present", Contemporary Arab Affairs 13, 4 (2020): p.59.

12   Helen Lackner, Yemen in Crisis: The Road to War (London: Verso, 2019), p.44

13   Hallaj, Omar Abdulaziz. "Yemen: Between Tides of Unity and Tribal Approval." In Local Governments and Public Goods: Assessing Decentralization in the Arab World, edited by Mona Harb and Sami Atallah, 109–137. Beirut: Lebanese Center for Policy Studies, 2015. https://www.researchgate.net/publication/383121930_Yemen_Between_Tides_of_Unity_and_Tribal_Approval

14   Zanotta, Sara. "Constitution-Making in Libya after the Fall of Gaddafi: The Role of National Bodies and Transnational Actors." New Authoritarianisms and Democracies: Law, Institutions, Society 2 (2021): 1–18. https://doi.org/10.13130/2612-6672/16732.

15   For further details on best practices in local governance in Libya, see the report: Libyans Rebuilding Libya: Local Governance Best Practices, published by IFIT in September 2021. Available at: https://doi.org/10.5281/zenodo.12529664.

Since 2014, the local governance process has become fragmented and inconsistent, driven more by political necessity than legal coherence. To fill this institutional void, successive authorities relied on a series of improvised and often contradictory legal decisions:

- **Law No. 9 of 2013** transferred governorate powers to municipalities, but most public services remained under central ministries,[16] thereby perpetuating a substantial gap between statutory provisions and administrative practice.[17]

- **Decision No. 396 of 2015.** Article 26 of Law 59 stipulates that the municipal council shall be elected by general, direct, secret ballot. However, cabinet decision No. 396 of 2015 allowed the minister of local governance to appoint steering councils instead of elected councils. This decision has further entrenched centralization and undermined the autonomy and effectiveness of local governance structures.

- **Decision No. 182 of 2022.** The situation was further complicated by the adoption of Decision No. 182 in 2022, whereby the Government of National Unity established districts instead of the elected governorates mandated by Law 59. These districts, lacking any legal foundation, are headed by officials appointed by the Ministry of local administration.

Taken together, these improvised arrangements and overlapping prerogatives in key domains such as investment and land management have exacerbated legal ambiguity and hindered the development of coherent and accountable subnational governance in Libya.

In Yemen, local governance was codified through the 2000 Local Authority Law to respond to rising demands for autonomy, but the ongoing war has weakened central institutions and pushed local authorities to assume greater responsibility with limited resources. Since 2015, Yemen has undergone a spontaneous and ad hoc decentralization that operates almost entirely outside the formal LAL framework. The fragmentation of central institutions, the redirection of financial and administrative capacities toward the war effort, and the suspension of public salaries collectively undermined the functioning of the formal governance system.[18]

Since the onset of the conflict, Yemen's local governance has shifted into a centralized, governor-led system operating outside the LAL, characterized by deep regional asymmetries. Governance dynamics now vary widely across governorates depending on three main factors: (i) natural resource endowments, (ii) political alignment and personal ties between governors and central authorities, and (iii) external support, particularly from Saudi Arabia and the UAE. As a result, subnational governance reflects not only local political geographies but also broader geopolitical alignments.

With central oversight and elected local councils largely inactive—except in Al-Mahra and Wadi Hadramout—governors have become the dominant power holders. Executive authority is now concentrated in the hands of unelected governors appointed through opaque mechanisms. In non-resource-rich governorates (except Taiz and Aden), the central government retains strong control over appointments. By contrast, in resource-rich or strategically important regions such as Marib and Aden, governor selection has become a negotiated process involving regional actors, local factions, and central authorities, reshaping local power structures.[19]

Decision-making is now heavily centered in governors' offices, which control administrative appointments and responsibilities previously held by executive officials and local councils. District-level autonomy has almost entirely disappeared, while central involvement is largely limited to appointing or dismissing governors.[20]

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16   Amendment to Law No. 9 of 2013 This amendment added a new article 80 bis, which reads: *"Until the promulgation of a law establishing governorates, the Council of Ministers may proceed with the establishment of municipalities before governorates, and the competencies and powers assigned to the governorate council shall be temporarily transferred to the municipal council and the mayor of the municipality."*

17   Hamza Ateş and Anwar Elfeitori, Reforming Public Administration in Libya (Ankara: Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC), June 2021), p.25, https://www.sesric.org/.

18   Helen Lackner. "Fragmentation Nation: How Europeans Can Help End the Conflict in Yemen." European Council on Foreign Relations, May 17, 2021. https://ecfr.eu/publication/fragmentation-nation-how-europeans-can-help-end-the-conflict-in-yemen/.

19   Abdul Raqib Fatih; The Importance of Local Governance in Yemen. Berghof Foundation, 2018. https://berghoffoundation.org/files/publications/Berghof_Foundation_Yemen_localgov_Paper04ImportanceofLocalGovernance_WEB.pdf.

20   Ibid.

This governance model relies on informal and often opaque arrangements for fiscal management. While formal dependency on central transfers persists, governorates such as Marib, Hadramout, and Shabwa have negotiated partial fiscal autonomy—retaining a share of locally generated revenues, sometimes up to 20 percent in Marib since 2017—enabling them to maintain services and pay salaries more effectively than other governorates facing chronic underfunding.[21]

2.3.   The Role of Oil and Gas in Shaping Governance and Conflict

Although Yemen and Libya differ considerably in the scale of their hydrocarbon reserves, oil and gas resources have nonetheless played a central role in shaping both governance dynamics and patterns of conflict.

In Libya, in contrast to civil conflicts in other Arab countries, antagonists do not fight each other for the sake of affirming high religious, political or ethnic truths, but more for political-economic goals.[22] The authors of a recent report on the decentralization of Libya note: "*Libyan militias and political actors do sometimes have tribal proclivities, but they generally lack the kind of toxic ideological or sectarian motivations that worsen cycles of violence in much of the region. They are driven more by competition for their share of the state's wealth, as well as control of the neighborhoods and cities that matter most to them.*"[23] The struggle for control over oil revenues is the principal axis of the ongoing conflict, with resource allocation mechanisms at the heart of political bargaining and factional rivalry. The absence of an equitable, transparent framework for distributing oil wealth has fueled repeated episodes of contestation.

In Yemen, local governance is driven by deep-rooted political and social fragmentation. Politically, the persistent North–South divide, southern grievances after unification, and the emergence of the Houthi movement have intensified divisions. Socially, tribal and caste hierarchies, religious diversity, and regional identity—often aligned with governorate boundaries—shape social belonging, making regional identity the dominant marker over sectarian or class affiliation. But, as in Libya, and while reserves are far smaller, oil remains a source of political contention—particularly in governorates such as Ma'rib, Shabwah, and Hadramawt, often referred to as Yemen's "triangle of power." where competition over the allocation of revenues and the mechanisms for resource sharing became major sticking points during the negotiation of federal arrangements. [24]

Yet, rather than underpinning development, hydrocarbons have become a driver of conflict and a symbol of exclusion. Divisions within the internationally recognized government have fractured authority and turned resource management into a battleground for rival factions. Local authorities and armed groups in Marib, Shabwah, and Hadramawt have periodically blocked pipelines, imposed levies, and fought for a share of export revenues, thereby weakening central control. [25]At the same time, the Houthis have strategically weaponized Yemen's oil and gas sector. Following their failed military campaign to seize Marib's gas infrastructure, the movement began in late 2022 to launch drone and missile strikes against export facilities on the southern coast. Although these attacks did not sink tankers, the threat alone was sufficient to halt all hydrocarbon exports from IRG-controlled areas. For nearly three years, Yemen has ceased to export oil and gas, leaving the IRG deprived of its principal revenue stream and increasingly dependent on Saudi financial support.[26]

The consequences of this dual blockade—internal rivalry within the IRG and external pressure from Houthi attacks—are profound. The suspension of exports has crippled public finances, exacerbated humanitarian suffering, and obstructed the already fragile peace process. Political dialogues have stalled completely on the issue of resource management, as disputes

21   Maged al-Madhaji, and Wadhah al-Awlaqi. Local Governance in Yemen Amid Conflict and Instability. Sana'a Center for Strategic Studies, July 29, 2018. https://sanaacenter.org/publications/main-publications/6960.

22   Same agreements were reached with the local authorities of Hadramout and Shabwa. For more details, see: Casey Coombs and Majd Ibrahim, Recovering Lost Ground in Shabwa's Oil Sector (Sana'a: Sana'a Center for Strategic Studies, August 2023), https://sanaacenter.org/publications/main-publications/20682. Sana'a Center For Strategic Studies+1

23   Issaev, Leonid, and Andrey Zakharov. "Decentralization in Libya after the Arab Spring." Middle East Policy 27, no. 1 (March 2020): 56–70. https://doi.org/10.1111/mepo.12474.

24   Allen, John, et al. "Empowered Decentralization: A City-Based Strategy for Rebuilding Libya." Foreign Policy at Brookings, February 11, 2019. https://www.brookings.edu/articles/empowered-decentralization-a-city-based-strategy-for-rebuilding-libya/.

25   Jeremy M. Sharp, Attacks Against Oil & Natural Gas Pipelines (Washington, DC: Congressional Research Service, 2014), U.S. Senate Committee on Energy and Natural Resources, https://www.energy.senate.gov/services/files/894246b6-c089-45a9-9112-92ff1de2f8ca

26   Nicholas Brumfield, "Fueling Instability: Hydrocarbons, Protests, and the Limits of Yemen's Internationally Recognized Government," Arab Center Washington DC, September 12, 2025, https://arabcenterdc.org/resource/fueling-instability-hydrocarbons-protests-and-the-limits-of-yemens-internationally-recognized-government/.

persist not only between the IRG and the Houthis but also among IRG factions mainly between the Southern Transitional Council (STC), The Giants and Shabwani Elite force- backed by the UAE- and Islah political party and affiliated armed groups- backed by the KSA. The STC completely rejects the use of "South Yemeni" oil to finance northern constituencies.

This competition over resources and influence illustrates how diverging regional agendas—notably those of the UAE and KSA—are deepening security challenges within Yemen's governorates, further complicating efforts to establish stable and inclusive models of subnational governance.

Emirati-backed forces are no longer limiting themselves to the rimland of Yemen—the coasts, islands, ports, and energy terminals—but are increasingly attempting to penetrate the heartland. Their aim is to seize strategic internal routes, secure transport corridors between energy-rich regions such as Marib and Hadhramout, and gain access to oil and gas fields in Shabwa.[27] This shift in ambition is underscored by developments in Shabwa, where the UAE has established a massive military base,[28] but also by the 2025 violent clashes in Hadramout – violent demonstrations following the blockade of fuel transport to the electricity generator in the governorate, which resulted in electricity cut-offs exceeding sixteen hours per day in the middle of summer. These tensions reflect deep fractures between the Hadrami Tribal Alliance and its tribal leader Ben Hebrich – backed by the KSA, who completely rejects STC interference in the governorate – and the STC, the UAE's local proxy in the region, which seeks to control not only the coastal part of Hadramout but extend its influence further inland to Wadi Hadramout on the Saudi borders.

In both Yemen and Libya, hydrocarbons have proven less a tool for state-building than a catalyst of fragmentation and competition. They crystallize pre-existing political divides while creating new arenas of contestation, turning resource wealth into a zero-sum game rather than a foundation for inclusive governance. In Yemen, this dynamic is further intensified by the interplay of local grievances, tribal politics, and competing regional agendas. The involvement of external factors such as the UAE and KSA transforms resource competition into a strategic instrument of influence, further entrenching rivalries and undermining prospects for durable peace. Ultimately, the struggle over hydrocarbons underscores a broader governance challenge: without transparent, equitable, and depoliticized mechanisms for resource sharing, Yemen's wealth will continue to feed cycles of conflict rather than foster stability.

3. The Failure to Address Federalism: Lessons from Yemen's Constitutional Process

Before presenting the three main shortcomings of the NDC and the constitutional drafting process, it is essential to first identify the principal actors engaged in the debate on federalism in Yemen and to present the transitional framework established by the Gulf Cooperation Council (GCC) initiative and its implementation mechanisms:

The main political parties. Three main political actors with distinct territorial and political grievances significantly influenced Yemen's NDC, particularly the negotiations on federalism and decentralization:

- **The Houthi movement (Ansar Allah).** Rooted in the Zaydi heartland of Sa'ada, emerged in response to perceived marginalization by President Saleh's regime, including military repression and political exclusion. Their demands combined regional, religious, and sociological dimensions, including resistance to central authority and a revivalist vision of Zaydi leadership.

- **The Southern Movement (Hirak).** in their' view, the South was "colonized" as Salih and his allies took over formerly nationalized land, companies, and other assets of southern individuals and institutions. While internally divided between calls for federalism and outright secession, Hirak strongly pushed for greater autonomy and redress for perceived northern domination.[29]

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27 Eleonora Ardemagni, "Emirati-Backed Forces Eye Yemen's Energy Heartland," Middle East Institute, August 30, 2022, https://www.mei.edu/publications/emirati-backed-forces-eye-yemens-energy-heartland.

28 AfriMEOSINT, "The Emirati Military Base in the Rich-Oil Governorate of Shabwa," X, August 30, 2022, https://x.com/AfriMEOSINT/status/1969322460479676755.

29 International Crisis Group, Yemen's Southern Question: Avoiding a Breakdown, Middle East & North Africa Report No. 145 (September 25, 2013), https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/yemen/yemen-s-southern-question-avoiding-breakdown.

- **The Joint Meeting Parties (JMP)** – an anti GPC coalition of parties that included Islamist, socialist, and nationalist force–advocated for federalism to rebalance power away from Saleh's General People's Congress (GPC). In a 2009 document, they explicitly endorsed federalism as part of a broader strategy for equitable governance reform.[30] Together, these three actors brought competing visions of territorial governance to the NDC, shaping the contentious debate over decentralization and federal restructuring.

The transition process. On November 23, 2011, President Ali Abdallah Saleh and opposition leaders (the JMP) signed the Gulf Cooperation Council (GCC) Initiative and its Implementation Mechanism, establishing the framework for Yemen's political transition. This process was structured into two overlapping phases spanning approximately 27 months. The first phase commenced with the signing of the GCC Initiative and lasted 90 days, culminating in early presidential elections and the formation of key transitional bodies. The second phase unfolded in three key steps: first, a technical committee designed the format for national dialogue; second, the NDC was convened to generate interim and final reports within five months ; and third, a CDC was tasked with translating the NDC's outcomes into a draft constitution within four months, to be followed by a national referendum and, if approved, new elections. However, the absence of a clear deadline for the referendum left the overall timeline open-ended and vulnerable to delays.[31]

In this section, we will outline the main flaws that undermined the debates on federalism during the NDC and the CDC work–debates which not only failed to produce a viable consensus, but in fact became one of the principal triggers of the country's civil war. Analyzing these key shortcomings offers valuable lessons for decision-makers in Libya, both as a caution against repeating the same mistakes and as a starting point for broader discussions on how to approach such sensitive issues as federalism in national dialogue processes.

3.1. Non-effective Inclusion

Although the NDC formally included a wide range of Yemeni, the main grievance-holders–particularly the Houthis and the Southern Hirak–did not participate meaningfully at key stages of the transition. They were excluded from the negotiation of the Gulf Cooperation Council initiative and its implementation mechanism, and they were not represented in the first national unity government. Their participation in the NDC and CDA itself was largely symbolic and lacked substantive engagement.

The Houthis, although officially participating, frequently boycotted sessions and prioritized political maneuvering with former president Ali Abdullah Saleh and military campaigns in the north over constructive involvement in the dialogue. Ansar Allah was partly in, partly out, ranging between a pragmatic republican wing and a hardline Zaydi monarchist position. Along with the Hirak bloc, it was the party with the lowest rate of attendance in the NDC plenary sessions, but some members did subscribe to the overall discussions.[32] On the other hand, southern representation–despite constituting nearly 50% of NDC delegates–suffered from a critical lack of connectedness with their constituencies. Several southern representatives had not lived in the South, further aggravating perceptions of marginalization and deepening the mistrust among Hard-liners from Hirak.[33]

Moreover, the NDC's southern bloc failed to reflect the complex socio-political and identity-based fragmentation of southern Yemen. It comprises distinct regional and historical identities and is marked by longstanding rivalries rooted in past conflicts, including the divisions between southern factions dating back to the 1986 civil war and its aftermath. These internal fractures meant that representation at the NDC was monopolized by certain elites, while other influential actors were excluded or marginalized.

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30 See Summary: Vision for National Salvation' (Yemen's Vision for National Salvation, 21 March 2010) <https://yemenvision.wordpress.com> accessed 2 March 2017 (semi-official blog of the Preparatory Committee for National Dialogue (PCND) in Yemen).

31 Zaid Al-Ali "Yemen." Chapter. In Arab Constitutionalism: The Coming Revolution, 72–101. Cambridge: Cambridge University Press, 2021.

32 Challand, Benoît. "Decentralization in Yemen: The Case of the Federalist Draft Constitution of 2015." Chapter. In Federalism and Decentralization in the Contemporary Middle East and North Africa, edited by Aslı Ü. Bâli and Omar M. Dajani, 374. ASCL Studies in Comparative Law. Cambridge: Cambridge University Press, 2023.

33 Anderson, George, 'Yemen's Failed Constitutional Transition', in George Anderson, and Sujit Choudhry (eds), Territory and Power in Constitutional Transitions (Oxford, 2019; online edn, Oxford Academic, 17 Apr. 2019), 317 https://doi.org/10.1093/oso/9780198836544.003.0017.

This history underscores that the southern question in Yemen is not merely political; it is a layered conflict of identities, grievances, and historical retribution. These dynamics demonstrate the imperative that *effective inclusion* requires not just broad participation, but genuine *connectedness* with the constituencies represented. Such connectedness can be upward (to external funders or patrons), downward (to communities and constituencies), thematic (to particular policy sectors), or mixed.

Applying these lessons to Libya, any future national dialogue on decentralization must avoid the superficiality of Yemen's NDC by ensuring the *meaningful participation* of all relevant Libyan actors. These should include institutional stakeholders such as the House of Representatives in Tobruk, the High Council of State in Tripoli, the Government of National Unity (GNU), the Libyan National Army (LNA) aligned with Field Marshal Haftar, and the Presidential Council. Equally essential are tribal and regional representatives from Cyrenaica, Tripolitania, and Fezzan; local municipal leaders; youth and women's networks; Amazigh, Tuareg, and Tebu minority communities; civil society actors; and independent scholars.

However particular attention must be given to the representation of tribes in Libya when designing decentralization frameworks or redrawing administrative boundaries. While tribes in Libya have historically played pivotal roles in both security and the formation of the state's elite,[34] it is important to approach their inclusion in any decentralization process or the drawing of new borders with careful consideration. Despite the existence of over 140 tribes and clans in the country, only about thirty hold significant political influence, with material interests and access to resources often outweighing blood relations in shaping tribal power. Therefore, effective decentralization in Libya must be informed by a nuanced understanding of tribal dynamics, ensuring that genuine stakeholders are engaged without overestimating the influence of tribal identity as a whole.[35]

3.2. Unclear Mandate and Unrealistic Timeframe

One of the critical shortcomings of the NDC was the absence of a clearly defined mandate, particularly about its treatment of the highly sensitive and politically divisive issue of subnational governance. While the NDC aimed to be an inclusive platform addressing a wide range of post-conflict issues—from transitional justice and constitutional reform to security sector restructuring and women's participation, the breadth of its agenda ultimately diluted the depth of its deliberations and failed to produce clear decision on central questions. By the time the event concluded in September 2013, it had produced 1,800 proposals, including the recommendation that Yemen become a federation with six regions, but without detailing the division of powers or specifying responsibilities across levels of government. Consequently, the CDC, which was initially intended merely to implement the proposals of the NDC, found itself compelled to draft the federalism chapter almost entirely from scratch.[36]

The constitutional draft emerging from Yemen's post-2011 transition suffers from structural and substantive deficiencies. The sequence and organization of sections and articles lack coherence, with dense provisions on broad social issues—such as healthcare access and the reduction of qat consumption—preceding the core institutional design of the parliamentary and federal system. While legislative aspects of federalism are elaborated in detail, the composition and decision-making processes of the executive remain vague. Moreover, neither the NDC nor the CDC provided systematic or practical solutions for critical power-sharing questions, including the redistribution of financial resources (e.g., oil revenues, municipal and real estate taxes), appointments to the Constitutional Court, or the staffing and capacity-building of regional authorities. Relations between municipalities and regional governments also remain undefined, reflecting a broader ambiguity in the institutional framework.[37]

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34 Youssef M. Sawani, "Dynamics of Continuity and Change", Jason Pack(ed.), The 2011 Libyan Uprisings and the Struggle for the Post-Qadhafi Future, New York, Palgrave Macmillan, 2013, p.59.

35 Ramazan Erdağ, Libya in the Arab Spring: From Revolution to Insecurity (New York: Palgrave Macmillan, 2017), 26.

36 Al-Ali, Zaid. "Yemen." Chapter. In Arab Constitutionalism: The Coming Revolution, 72–101. Cambridge: Cambridge University Press, 2021.

37 Rafat Al-Akhali, "The Challenge of Federalism in Yemen," Atlantic Council, May 28, 2014, https://www.atlanticcouncil.org/in-depth-research-reports/issue-brief/the-challenge-of-federalism-in-yemen/

Subnational governance structures, especially in post-conflict and fragmented states, require sustained, specialized, and inclusive deliberation in a dedicated national dialogue framework. Addressing this issue within a broader multi-thematic forum such as the Yemeni NDC meant that foundational questions about the distribution of authority, fiscal autonomy, and intergovernmental relations were either bypassed or treated superficially. The unrealistic timeframe in which the NDC was expected to reach agreement further undermined its effectiveness.[38]

A similar pattern can be observed in the Libyan case, particularly in the work of the Libyan Constitution Drafting Assembly (CDA), where the compressed timeframe and the prioritization of producing a constitutional draft over facilitating deep deliberative processes led to the marginal treatment of decentralization. The CDA members, despite their regional representation, lacked the institutional time and space to negotiate and design a robust and context-sensitive framework for subnational governance that could address Libya's entrenched regional inequalities, administrative fragmentation, and the demands for greater autonomy, particularly from the South and East. While the final draft of Libya's constitution (Chapter 6, Article 144) formally provides for three levels of government—central, governorate, and municipal—the draft remains vague on the structure, functions, and powers of subnational entities. Almost all crucial details are deferred to future legislation, indicating that the CDA failed to reach substantive agreement on local governance and ultimately opted to leave this foundational issue to future elected authorities. This lack of clarity, combined with the generic guarantee of "financial and administrative independence" in Article 145, effectively weakens the promise of meaningful local autonomy and further underscores the dangers of treating decentralization as a secondary issue in transitional processes.[39] These experiences underscore the need for an exclusive, well-resourced, and time-sensitive national dialogue mechanism that treats the question of decentralization not as a subordinate technical issue, but as a central political pillar of any future state-building or constitutional process in deeply divided societies.

3.3.   Federalism and Flawed Decision-Making Process

A clear understanding of the rules of procedure governing decision-making in NDC is essential to grasp why the process faltered. These rules created an elaborate yet burdensome consensus-based framework that, in practice, produced a paralysis of the process. The NDC consisted of a General Assembly, a President (Hadi), a Presidium, a Consensus Committee, nine working groups, a Disciplinary Committee, and a Secretariat. Working groups were required to reach consensus—defined as 90 percent agreement of members present—before submitting decisions to the General Assembly, which was bound by the same threshold. If consensus failed, issues shifted to the Consensus Committee (and eventually to a 75% vote or, failing that, to the President).[40] Faced with persistent deadlock and a lack of political consensus, the process quickly descended into procedural breaches, undermining its legitimacy and its ability to deliver concrete outcomes. These procedural challenges inevitably shaped the course of the dialogue, influencing how debates over Yemen's future, and especially the question of federalism, unfolded.

During Yemen's transition, elites in Sana'a pushed federalism as a way to preserve unity while avoiding independence demands, especially from the south. At the same time, northern elites sought to use federalism strategically: they advocated carving out a Houthi-dominated region that would lack the resources needed to sustain or expand the group's growing power. In the south, many regarded unification as a northern takeover and campaigned for independence. Yet, given the lack of international backing and the strong opposition they faced domestically, some southern representatives opted to support a federal model, especially a two-region formula that would reestablish the south as a distinct political unit. This compromise, however, glossed over the diversity of views within the southern movement itself. The Houthis, for their part, entered the negotiations without a clear vision of the future state. Though instinctively favoring centralization, they ultimately supported federalism largely in solidarity with southern demands, since both groups shared a sense of political exclusion.[41]

38   Anderson, George, 'Yemen's Failed Constitutional Transition', in George Anderson, and Sujit Choudhry (eds), Territory and Power in Constitutional Transitions (Oxford, 2019; online edn, Oxford Academic, 17 Apr. 2019), 315 https://doi.org/10.1093/oso/9780198836544.003.0017.

39   Al-Ali, Zaid. "Yemen." Chapter. In Arab Constitutionalism: The Coming Revolution, 72–101. Cambridge: Cambridge University Press, 2021. 90

40   Ibid.

41   Position Paper: Yemen's Dialogue: Conflicting Forms of the New State (Doha: Al Jazeera Centre for Studies, October 30, 2013), https://studies.aljazeera.net/sites/default/files/articles/documents/2019-11/201310301237433314734Yemen.pdf.

Three distinct working groups were tasked with addressing this challenge: the state-building group, charged with defining the future structure of the state; the southern working group, entrusted with examining the grievances of the south; and the northern working group, focused on the demands of the Houthis. Yet the fundamental question of boundary delineation was left untouched, as each group operated in isolation, without any shared forum for debate. The southern working group, in particular, devoted months to retracing the historical origins of the crisis rather than formulating concrete solutions.[42]

In response to this paralysis, an "8+8" subcommittee to reach a consensus on the form of the state was created. It produced two principal and highly significant decisions: first, that Yemen should become a "federal state," with each region bearing primary responsibility for its own economic development, including natural resource management; and second, that the number of regions should be set through a mechanism working alongside the CDC. These outcomes were endorsed by the southern working group.

However, the group then introduced two controversial recommendations. It proposed delegating to President Hadi the authority to "establish and chair a committee to define the regions," with binding decisions, and it restricted the options to configurations of six regions, two regions, or anything in between—severely limiting the scope of potential solutions. When these recommendations were brought to a vote at the General Assembly, they triggered a dramatic rupture: several key participants—primarily southern representatives from the Hirak movement—withdrew in protest.

On January 27, 2014, Yemen established a twenty-one-member "Regions Committee" tasked with deciding based on the 8+8 subcommittees outcomes how the country should be divided Unlike the NDC, the committee conducted its deliberations largely behind closed doors, sparking complaints about a lack of transparency and the composition of its membership. On February 10, 2014, the committee issued its final report proposing a division of Yemen into six regions. Again, the decision was never confirmed by the NDC's General Assembly.

The CDC was compelled to respect the "six-region formula". This six-region model and its territorial delimitations became a principal cause of the escalation of conflict, particularly for Ansar Allah rejecting the decision entirely. For the Houthis, the proposed Azal region left them landlocked with scarce resources, making them a minority and excluding access to the sea. They argued the map was designed to marginalize them while benefiting the old northerns elites. This dispute over federal boundaries proved to be a decisive breaking point in Yemen's political transition and a major driver of the outbreak of the war in 2015.

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42   Al-Ali, Zaid. "Yemen." Chapter. In Arab Constitutionalism: The Coming Revolution, 72–101. Cambridge : Cambridge University Press, 2021. 96

Conclusion

Despite their different trajectories, Yemen and Libya reveal that questions of subnational governance are never merely administrative debates—they are political arenas in which legitimacy, equity, and state cohesion are continuously negotiated. In both contexts, decades of hyper-centralization produced structural marginalization and weakened local agency. After 2011, the erosion of central authority opened space for ad hoc systems of local governance that, although informal and uneven, became the primary interface between citizens and the state. These evolving local arrangements now constitute a de facto institutional order that any future political settlement must recognize rather than attempt to override.

Yemen's transition demonstrates the risks of addressing subnational governance within broad, compressed national dialogue formats. When foundational questions such as territorial administration, resource allocation, and intergovernmental relations are treated symbolically or left unresolved, they become triggers for renewed fragmentation. The Yemeni experience shows that the process matters as much as the outcome: how inclusion is structured, how mandates are defined, and how decisions are taken can determine whether governance reform supports settlement or deepens contestation.

In the Libyan context, Yemen's experience offers useful points of reflection for how subnational governance might be approached within a future political settlement. Any dedicated track on this issue would need to acknowledge Libya's emergent local institutional realities and integrate political, administrative, and fiscal dimensions. It would require engaging not only formal state actors but also those who hold real authority locally, including municipalities, tribal networks, minority groups, and civil institutions. It would also need to confront, early and transparently, the distribution of powers and resources—avoiding rushed or divisive approaches to territorial design.

Three guiding principles emerge from Yemen's experience:

- **Focused mandates and realistic timelines.**

  Sensitive issues such as decentralization, boundary design, and resource sharing require depth, technical expertise, and political clarity. They are best handled within a dedicated process that allows sustained and specialized deliberation.

- **Meaningful, not symbolic, inclusion.**

  Processes falter when key grievance-holders are present in form but absent in substance. Effective participation requires representatives who are socially anchored, politically relevant, and connected to their constituencies, reflecting the complexity and diversity of local realities.

- **Clear and legitimate decision-making mechanisms.**

  Consensus frameworks should avoid procedural paralysis. Dispute-resolution tools must be structured, mutually agreed, and insulated from political manipulation. No actor should wield unilateral authority to break deadlocks, as this undermines legitimacy and fuels further contestation.

Ultimately, Yemen's experience reminds us that subnational governance is not simply a matter of administrative tiers or territorial boundaries—it is a negotiation over belonging, power, and trust in societies marked by deep division. In Libya, as in Yemen, the way this negotiation is structured may well determine not only the shape of future governance arrangements, but the very cohesion of the state itself.

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