

Yemen After the KSA-Iran Agreement: From Dreams to Harsh Reality and How This Fed Houthi Behavior in the Current Crisis

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Key Points

- Despite the optimism and hope brought by the KSA-Iran agreement, it couldn't bring lasting peace to Yemen due to conflicting interests and external influences.
- Diplomatic initiatives between the KSA and the Houthi led to a ceasefire, yet the Houthi's engagement in negotiations could be interpreted as a tactic "to buy time" to enhance their military capabilities.
- In just a few years, Iran transformed the Houthis from an insurgent group to a powerful military organization that is capable of testing new military technology, tactics, techniques, and procedures (TTPs), and threatening U.S. interests and allies in the Red Sea.
- The Houthi's leaders are seeking to take advantage of the Israel-Hamas conflict to advance their own political, military, and economic objectives, all to the detriment of the Yemenis.
- An escalation in the Red Sea that reignites an international confrontation might deepen the humanitarian crisis for the Yemeni people.

Introduction

In 2014, Houthi rebels overtook Sanaa, the capital of Yemen, in a push for increased military and political power, starting Yemen's long-lasting civil war. The chaos created by the Houthi insurgents jeopardized the Kingdom of Saudi Arabia's (KSA) ambition for stability in the region, creating a situation more susceptible to Iran's influence near its southern border, and thus resulting in the formation of a KSA-led coalition of Gulf states to counter the insurgency through military intervention. In the years following, Yemen has been in a constant "state of no war and no peace,"¹ facing a continuous humanitarian crisis, significant economic decline, and the constant struggle of the official Yemeni government to counter Houthi expansion under the eye of the international community.

In March 2023, the KSA and Iran signed an agreement that represented hope for Yemen's normalization and the direct negotiations between Iran's proxy, the Houthis, and the KSA. Since this unique détente, violence between the parties have declined. However, the Israel-Hamas war seriously impacted the path to peace, revealing that the Houthis are a capable and credible threat to the Sea Lines of Communication (SLOC) in the Red Sea. The Houthis

¹ Giorgio Cafiero, "Analysis: Fighting Recedes, but Peace in Yemen Remains Distant," July 7, 2023, <https://www.aljazeera.com/news/2023/7/7/analysis-peace-yemen-remains-distant> (accessed November 20, 2024).

assert that they are supporting the defenseless Palestinians by attacking Israel-related ships, even if it is the international community that is primarily affected.

Understanding Yemen's complex situation, the parties involved, and the consequences of the KSA-Iran agreement may provide valuable insights into recent Houthi behavior induced by the Israel and Hamas war.

The Current Context of Yemen

It is challenging to describe Yemen as a regular nation-state since central authority has been maintained only in balance with tribal, sectarian, and political groups that align with central leaders based on a system of patronage.²

In 2015, a military coalition led by the KSA launched an intense air-strike campaign, a naval blockade, and ground force attacks to reinstate the internationally recognized government; the predictions were that the Houthis would be defeated within a few weeks. In practice, the Houthi resistance was underestimated; they strengthened militarily with the help of Iran and Hezbollah and began targeting strategic infrastructure across the KSA and UAE. This conflict was primarily viewed as a proxy war between Iran and KSA.

After eight years of conflict, Yemen is facing one of the world's most significant humanitarian crises, with a staggering 21 million people requiring some form of humanitarian assistance. The situation has been exacerbated by economic collapse, natural disasters, and the COVID-19 pandemic.³ The crisis has taken a heavy toll on women and children, with millions in need of essential services such as food, healthcare, and protection. The current humanitarian crisis is being made worse by the steep devaluation of Yemen's currency, which severely diminished people's purchasing power and made many basic needs even more unaffordable, creating an acute risk of a large-scale famine.⁴ In 2023, the UN appealed for \$4.3 billion to support vulnerable people, but received only 31 percent of the required amount.⁵ Moreover, The World Food Program has halted general food distribution in Yemen, reducing the number of people served from 9.5 million to 6.5 million.⁶

Except for a few attacks near the border, the security situation in Yemen stabilized following the KSA- Iran agreement. However, a durable peace deal would not bring an end to the conflict in Yemen. There are many factions, backed by different states, whose aims and ambitions would all need to be addressed for peace to become a reality in Yemen.⁷

The KSA-Iran agreement paved the way for unloading the old floating storage oil vessel (FSO) in the Red Sea, which posed a severe environmental threat. The rescue mission's accomplishment has boosted optimism for the ability to work together on a critical problem that might lay the foundation for broader peace negotiations.

² Roby C. Barrett, JSOU Report 11-3 "Yemen: a Different Political Paradigm in Context," (May 2011).

³ UN Population Fund, "Yemen: A Crisis for Women and Girls," Mar 29, 2023, <https://www.unfpa.org/yemen-crisis-women-and-girls> (accessed January 03, 2024).

⁴ Center for Preventive Action, "War in Yemen", July 31, 2023, <https://www.cfr.org/global-conflict-tracker/conflict/war-yemen> (accessed August 13, 2023).

⁵ UN, "Amid Fragile Humanitarian Situation, Inclusive Peace Process Only Pathway to Permanently End War in Yemen", August 21, 2023, <https://press.un.org/en/2023/sc15383.doc.htm> (accessed January 03, 2024).

⁶ Aziz El Yaakoubi, "World Food Program Pauses Distribution in North Yemen as Funds Limited", December 05, 2023, www.reuters.com (accessed December 20, 2023).

⁷ Giorgio Cafiero, "Analysis: Fighting Recedes, but Peace in Yemen Remains Distant," July 7, 2023, <https://www.aljazeera.com/news/2023/7/7/analysis-peace-yemen-remains-distant> (accessed November 20, 2024).

In the weeks and months before the eruption of the Israel- Hamas conflict, some cities sparked protests demanding payment of salaries and venting public discontent at poor governance. Following the protests, Houthi authorities have been particularly aggressive, and hundreds of people were arrested.⁸

The Israel-Hamas war was a game changer for Yemen, where the Houthis became involved by attacking ships and interrupting the Sea Lines of Communication (SLOC) in the Red Sea (12% of global maritime trade), seriously affecting the international community.

Actors Present in Yemen

The presence and interests of various groups and internal factions has always prevented Yemen from achieving peace and stability. Along with the Yemeni factions, multiple foreign powers, such as the United Arab Emirates (UAE), the KSA, and Iran, were involved in the Yemen conflict through the creation of local armed groups, direct military engagement, or the provision of military aid and advice. Each affiliated armed group often clashed with the other factions in addition to the Houthi forces.

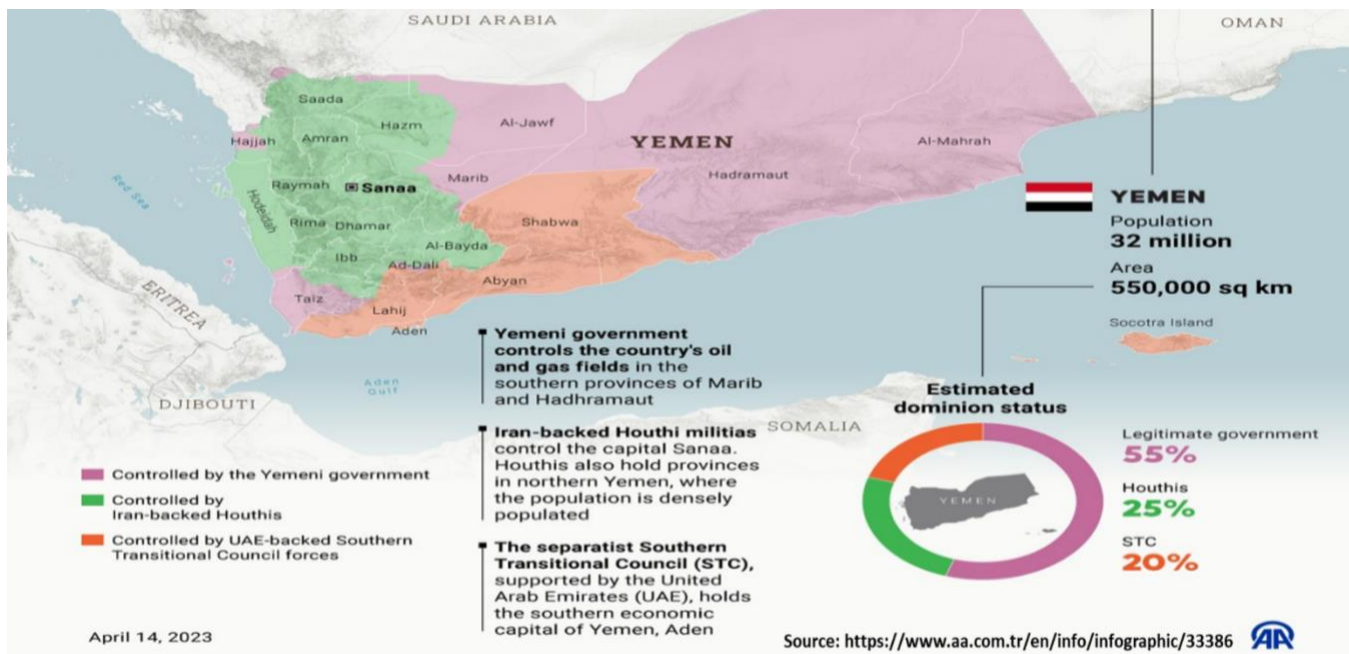


Figure 1: Yemen Territory Under Control of Three Main Actors (ROYG, STC, Houthi)

1. The Republic of Yemen Government (ROYG)

The ROYG is the internationally recognized government of Yemen, led by a Presidential Leadership Council (PLC). Some senior members live in Riyadh, and pro-ROYG authorities control the Eastern governorates. The objective of this council is to engage with the Houthis militarily or through discussions. The PLC wants to retake control of Sanaa and wants to remove the weapons of militias, mainly from the Houthi movement.⁹

⁸ Sana'a Center For Strategic Studies, "Houthis Visit Riyadh as Bilateral Talks Move Forward", November 20,2023, <https://sanaacenter.org/the-yemen-review/sept-oct-2023/21236> (accessed January 12, 2024).

⁹ Nabeel A. Khoury, "Yemen And The Saudi-Iran Rapprochement," March 22, 2023, <https://arabcenterdc.org/resource/yemen-and-the-saudi-iran-rapprochement/> (accessed January 10, 2024).

2. Southern Transitional Council (STC)

The former Aden governor announced the formation of the STC in 2017. The UAE backs its armed forces; it currently controls southwest Yemen but has greater ambitions— independence for South Yemen, which was merged with the North in 1990.¹⁰ The STC has looked skeptically at the Iran-KSA agreement, fearing that it might favor the Houthis. Likely, their interest is in maintaining influence beyond any potential peace deal.

3. Houthi Movement

The Houthi Movement is acting as a de facto government. It was founded in 1992 as a theological movement to revive the Zaydi Shia minority in Saada governorate.¹¹ In 2003, it transformed into an anti – American / Israeli armed insurgency resistance movement. Since 2004, the movement has been fighting against Yemen’s government. The Houthis took control of North Yemen and Sana'a capital in 2014.

Despite their willingness to engage in peace talks with the UN and KSA, the Houthis continued to communicate that their primary goal remains the liberation of Yemen from all foreign interference and to become a unified state.¹² The Houthis control a region where 75% of the people reside. The Houthi recruitment effort (taking advantage of poverty and sympathy for Palestinians) has been effective and is now believed to have up to 100,000 fighters.¹³

Iran is the only country that has recognized the Houthi as the government of Yemen and advocated for their interests at the UN. The Houthis started publicly acknowledging their allegiance to the "Axis of resistance" and emerged as one of Iran's most capable proxies due to their own homegrown ingenuity.¹⁴ When the Houthis took over Sana'a, they seized the country's military arsenal. Iran's military transfers evolved from inefficient, cheap missiles and drones in 2015 to technology and expertise to produce locally manufactured missiles and drones in 2019.¹⁵ This resulted in the Houthis now possessing advanced drones, anti-ship cruise missiles, and precision-strike ballistic missiles. Moreover, advisers from Iran’s Revolutionary Guard Corps (IRGC) and Hezbollah are in Yemen to provide training, know-how, and intelligence support to target ships in the Red Sea effectively.¹⁶ At this moment, though, it is unlikely that an end to Iranian military assistance would cause a collapse of Houthi fighting capabilities.

One misconception is that Iran and the Houthis are tied together by sectarian affinities. The Houthis largely adhere to Zaydism, a form of Shi’ite Islam that is close to Sunnism and significantly differs from Iran’s Twelver Shiism.¹⁷ Moreover, not every goal that Iran seeks is ruthlessly implemented by the Houthis. The Houthi leaders want to decide their own affairs and want to be perceived as a partner.¹⁸

¹⁰Justin Salhani, “Beyond The Red Sea: Who Are The Houthis Up Against Inside Yemen?,” January 18, 2024, <https://www.aljazeera.com/features/2024/1/18/beyond-the-red-sea-who-are-the-houthis-up-against-inside-yemen> (accessed January 21, 2024).

¹¹Justin Salhani, “Are The Houthi Red Sea Interceptions Going to Bring About a Regional War?,” January 15, 2024, <https://www.aljazeera.com/news/2024/1/15/are-the-houthi-red-sea-interceptions-going-to-bring-about-a-regional-war> (accessed January 21, 2024).

¹²Nabeel A. Khoury, “Yemen And The Saudi-Iran Rapprochement,” March 22, 2023, <https://arabcenterdc.org/resource/yemen-and-the-saudi-iran-rapprochement/> (accessed January 10, 2024).

¹³Melanie Swan, “How Houthis Are Using War in Gaza To Tighten Grip on Yemen,” January 20, 2024, <https://www.telegraph.co.uk/world-news/2024/01/20/houthis-uses-war-gaza-strengthen-grip-yemeni-starve/> (accessed January 21, 2024).

¹⁴Luca Nevola, “Q&A: Why Are Yemen’s Houthis Attacking Ships in the Red Sea?,” January 5, 2024, <https://acleddata.com/2024/01/05/qa-why-are-yemens-houthis-attacking-ships-in-the-red-sea/> (accessed January 12, 2024).

¹⁵Marc Martorell Junyent, “Peace for Yemen Elusive Despite Iran-Saudi Deal and Saudi-Houthi Talks,” June 26, 2023, <https://www.stimson.org/2023/peace-for-yemen-elusive-despite-iran-saudi-deal-and-saudi-houthi-talks/> (accessed January 04, 2024).

¹⁶Melanie Swan, “How Houthis Are Using War in Gaza To Tighten Grip on Yemen,” January 20, 2024, <https://www.telegraph.co.uk/world-news/2024/01/20/houthis-uses-war-gaza-strengthen-grip-yemeni-starve/> (accessed January 21, 2024).

¹⁷Mohammed Almahfali, James Root, “How Iran’s Islamic Revolution Does, and Does Not, Influence Houthi Rule in Northern Yemen,” February 13, 2020, <https://sanaacenter.org/publications/analysis/9050#endnotes> (accessed January 04, 2024).

¹⁸Giorgio Cafiero, “Analysis: Fighting Recedes, but Peace in Yemen Remains Distant,” July 7, 2023, <https://www.aljazeera.com/news/2023/7/7/analysis-peace-yemen-remains-distant> (accessed November 20, 2024).

4. Other Actors

Other Actors in Yemen are The Giants Brigades, a pro-government armed group predominantly made up of southern Yemeni tribe members (with more than 15,000 fighters), and a group known as the Guardians of the Republic, controlled by Tariq Saleh, which comprises ex-special forces personnel.¹⁹ Furthermore, two jihadist groups are operating in Yemen: Islamic State in Yemen (IS-Y) and Al-Qaeda in the Arabian Peninsula (AQAP). Initially known for high-profile attacks on international targets, a counterterrorism campaign degraded the group's capabilities such that it has been restricted to operations locally.

The KSA and Iran Agreement

Iran and KSA reached a deal to restore bilateral relations after seven years of diplomatic estrangement. The agreement should prove both countries' intentions for respecting sovereignty and non-interference in each other's internal affairs and to improve regional peace and cooperation.²⁰

The KSA sought this agreement to protect its homeland from Houthi attacks and, if possible, end the civil war in its southern neighbor.²¹

The agreement facilitated a ceasefire and direct talks between the KSA and the Houthis. Nevertheless, in Yemen, there are many other disputes over territorial control and internal issues that the KSA and Iran cannot settle; however, they could pressure the PLC and the Houthis (the main actors in the country) to participate positively in the UN's efforts to reopen political negotiations and ease tensions.²² Contrary to the agreement, Iran continued to use the Houthis to escalate the situation in the region while denying responsibility for their actions.²³

Houthi - KSA Meetings

Even before the Iran-Saudi deal, there was an agreement between the Houthis and the KSA that began in April 2022, and is still in effect. Yemen experienced a general decrease in the level of violence, but for the Saudis and the Houthis to reach a valid agreement, the ROYG and STC should be involved in talks.²⁴

KSA seeks to safeguard its southern frontier, maintain lines of communication with the de facto governing authority (even if that is the Houthis), and prevent Iran from expanding footholds in Yemen. KSA can focus on diversifying the economy and future infrastructure projects without the Houthi pressure.

¹⁹Justin Salhani, "Beyond The Red Sea: Who Are The Houthis up Against Inside Yemen?," January 18, 2024, <https://www.aljazeera.com/features/2024/1/18/beyond-the-red-sea-who-are-the-houthis-up-against-inside-yemen> (accessed January 21, 2024).

²⁰ Nabeel A. Khoury, "Yemen And The Saudi-Iran Rapprochement," March 22, 2023, <https://arabcenterdc.org/resource/yemen-and-the-saudi-iran-rapprochement/> (accessed January 10, 2024).

²¹ Marc Martorell Junyent, "Peace for Yemen Elusive Despite Iran-Saudi Deal and Saudi-Houthi Talks," June 26, 2023, <https://www.stimson.org/2023/peace-for-yemen-elusive-despite-iran-saudi-deal-and-saudi-houthi-talks/> (accessed January 04, 2024).

²² Samy Magdy, "Iran Says Deal With Saudi Arabia Will Help end Yemen's War," March 12, 2023, <https://apnews.com/article/yemen-conflict-iran-saudi-arabia-deal-ceasefire-ea60d5e873f4122f31c9429f7884dfcb> (accessed January 07, 2024).

²³Benoit Faucon, Warren P. Strobel, "Iranian Military Technology and Advisers Aid Houthi Attacks in Red Sea, Officials Say," January 24, 2024, <https://www.wsi.com/world/middle-east/iranian-military-technology-and-advisers-aid-houthi-attacks-in-red-sea-officials-say-6ee971f2> (accessed January 24, 2023).

²⁴ Marc Martorell Junyent, "Peace for Yemen Elusive Despite Iran-Saudi Deal and Saudi-Houthi Talks" June 26, 2023, <https://www.stimson.org/2023/peace-for-yemen-elusive-despite-iran-saudi-deal-and-saudi-houthi-talks/> (accessed January 04, 2024).

The Houthis' primary goal is to improve their military and political positions in Yemen, working aggressively for worldwide recognition. Furthermore, they want the KSA to provide financial and economic support, a reconstruction plan, and a timeline for foreign forces to quit Yemen.²⁵

Just a few days after the Houthi delegation returned from the KSA negotiations, they put on a significant military parade (Sept. 21, 2023): megaphones praised the Yemeni resistance against the Saudi aggression, and armored vehicles were displayed with "death to America, death to Israel." They claimed peace would only be achieved by forcing the enemy to submit to all demands.²⁶ This is an example of Houthi duplicity: a political delegation negotiates in Riyadh, but their public message is about the KSA aggression and strengthening militarily.

The Houthis' Behavior

The upsurge since October 2023 identifies a few escalatory steps. First, Houthi actions were relatively ineffective, using long-range drones and missile attacks that were easily intercepted by the U.S. or Israel. Then, after mid-November, the Houthis started targeting Israel-linked ships, moving the attacks more towards the southern part of the Red Sea. The third step began after December 9, when the Houthis stated they would target all vessels directed at Israeli ports, with most of these attacks concentrated around the Bab al-Mandab strait.²⁷ The fourth step, a peak of escalation in damaging vessels with Israel, U.K. and U.S. ships becoming targets, has continued since January 2024. There are a few reasons for the Houthis' behavior:

1. **They are promoting themselves as freedom fighters.** The Houthis are attempting to portray themselves as fighters acting in support of the Palestinian resistance, whether through popular mobilization or the massive pro-Palestine demonstrations, media support, or military actions.
2. **The Houthis are gaining advantages in negotiations with the KSA.** During bilateral talks, the Houthis could have seen a maritime escalation as a way to show force and gain leverage against the KSA.
3. **Ideology.** The Houthis oppose U.S. interference in the Middle East and are openly anti-Israel. Their motto used frequently during, says: "death to America, death to Israel, and a curse on the Jews."²⁸
4. **Trying to capitalize on the hatred against Israel** of many regional countries' populations because of the Palestinian casualties.
5. **Political affiliation.** The Houthis are members of the 'Axis of Resistance,' which also includes Hezbollah and militias in Iraq and Syria.
6. **Following the pattern of Iran's proxies.** An intense campaign included Hezbollah's strikes into Israel and near daily rocket attacks on U.S. forces in Iraq and Syria, with more than 135 attacks.²⁹ The Houthi behavior precisely follows the model and trend of other factions, with more than 35 attacks in the Red Sea. The strategic and geographical position allows their attacks to be the most effective.
7. **The Houthis are used to military engagement.** They want this kind of conflict because they are a group that functioned well in wartime, and they haven't been tested in peacetime. Their governing capabilities are weak, so these attacks may serve the Houthis' internal and regional interests.³⁰

²⁵ Ahmed Nagy, "Catching Up on The Back-Channel Peace Talks in Yemen," October 10, 2023, <https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/yemen/catching-back-channel-peace-talks-yemen> (accessed December 20, 2023).

²⁶ Abdulrahman Al-Ansi, "Yemen Houthis Flex Military Muscle in Parade as Riyadh Seeks Ceasefire", September 21, 2023, <https://www.usnews.com/news/world/articles/2023-09-21/yemen-houthis-flex-military-muscle-in-parade-as-riyadh-seeks-ceasefire>, (accessed January 12, 2024).

²⁷ Luca Nevola, "Q&A: Why Are Yemen's Houthis Attacking Ships in the Red Sea?", January 5, 2024, <https://acleddata.com/2024/01/05/qa-why-are-yemens-houthis-attacking-ships-in-the-red-sea/> (accessed January 12, 2024).

²⁸ Luca Nevola, "Q&A: Why Are Yemen's Houthis Attacking Ships in the Red Sea?", January 5, 2024, <https://acleddata.com/2024/01/05/qa-why-are-yemens-houthis-attacking-ships-in-the-red-sea/> (accessed January 12, 2024).

²⁹ Afshone Ostovar, "Iran's Missile Strikes Reveal Its Weakness – Just The Pattern of All The Militias Backed by Iran," January 23, 2024, https://foreignpolicy.com/2024/01/23/iran-missile-strikes-pakistan-iraq-syria/?tpcc=recirc_latest062921 (accessed January 24, 2024).

³⁰ Justin Salhani, "Beyond The Red Sea: Who Are The Houthis up Against Inside Yemen?," January 18, 2024, <https://www.aljazeera.com/features/2024/1/18/beyond-the-red-sea-who-are-the-houthis-up-against-inside-yemen> (accessed January 21, 2024).

8. ***To distract Yemenis' frustration with their governance.*** In the weeks before the Gaza conflict, significant protests sparked in Yemeni cities, the reasons being public discontent about the economy, poor governance, and the fact that the Houthi elite enriched themselves.³¹ Security personnel violently put an end to the demonstrations, and hundreds of people were arrested.
9. ***Recruitment of new fighters.*** The latest Houthi recruitment effort has targeted this issue that is close to many Yemenis: Palestine.³²
10. ***They are portraying the U.S. as an adversary.*** The Houthi leaders manipulate and control the population by finding an external enemy to focus their anger on, using the attacks against their military targets as a form of messaging.

Houthi behavior, under the pretext of supporting the Palestinian people, actually pushes their political aim—to be recognized by the international community as the legitimate authority of Yemen. Moreover, it offers better control over the internal situation by strengthening their military power and persuading the Yemeni population.

Consequences of Houthi's Behavior and the Reaction of the International Community

The security initiative—Operation Prosperity Guardian—brings together forces from the US, the UK, Australia, Bahrain, Canada, Denmark, Greece, Netherlands, Norway, Singapore, Sri Lanka and Seychelles to address the Houthi challenges in the region and ensure freedom of navigation in the Red Sea and Gulf of Aden.

The UN Security Council has passed Resolution 2722 (2024), demanding that the Houthis immediately cease all attacks on merchant and commercial vessels in the Red Sea.

Hundreds of ships are avoiding the Red Sea and sailing an extra 4,000 miles around Africa, burning fuel, inflating costs, and adding more travel days in each direction. Shipping companies have tripled the prices they charge to take a container from Asia to Europe, and shipowners face rising insurance premiums.³³

Indian exporters are facing rising costs; 95% of vessels have been rerouted to the southern tip of Africa. 80% of the Indian goods shipped to Europe passed via the Red Sea, and the Indian prime minister already addressed Iran regarding the attacks.³⁴ Indian Navy vessels increased patrols in the area to secure the Indian shipping lines.

After having shot down tens of Houthi missiles and drones, the U.S. and the U.K., supported by other countries such as Australia, Bahrain, Canada, and the Netherlands, launched rounds of strikes against Yemen territories, targeting sites that included weapon depots, radars, and command centers. As the Houthis came under pressure from the strikes, they adapted and increased the effectiveness of their attacks on ships through use of new technologies and partner advisors.³⁵ The Houthis have asked the U.S. and the U.K. staff of the U.N. in Yemen humanitarian organizations to leave the country within a month.³⁶

³¹ Sana'a Center For Strategic Studies, "Houthis Visit Riyadh as Bilateral Talks Move Forward", November 20, 2023, <https://sanaacenter.org/the-yemen-review/sept-oct-2023/21236>, (accessed December 22, 2024).

³² Melanie Swan, "How Houthis Are Using War in Gaza To Tighten Grip on Yemen," January 20, 2024, <https://www.telegraph.co.uk/world-news/2024/01/20/houthis-uses-war-gaza-strengthen-grip-yemeni-starve/> (accessed January 21, 2024).

³³ Agnes Chang, Pablo Robles, and Keith Bradsher, "How Houthi Attacks Have Suspended Global Shipping," January 21, 2024, <https://www.nytimes.com/interactive/2024/01/20/world/middleeast/houthi-red-sea-shipping.html> (accessed January 22, 2024).

³⁴ Hindustan Times, "Houthi Attacks Impact India; 'Strikes In Red Sea Wiped Out Our,'" January 15, 2024, <https://www.youtube.com/watch?v=Pg8RIWJogQQ>, (accessed January 18, 2024).

³⁵ Benoit Faucon, Warren P. Strobel, "Iranian Military Technology and Advisers Aid Houthi Attacks in Red Sea, Officials Say," January 24, 2024, <https://www.wsi.com/world/middle-east/iranian-military-technology-and-advisers-aid-houthi-attacks-in-red-sea-officials-say-6ee971f2> (accessed January 24, 2024).

³⁶ Helene Cooper, Eric Schmitt, "How a Ragtag Militia in Yemen Became a Nimble U.S. Foe", January 24, 2024, <https://www.nytimes.com/2024/01/24/us/politics/houthis-red-sea-airstrikes.html>, (accessed January 24, 2024).

The mutual strikes have raised concerns about the potential impact on the fragile ceasefire between the Houthis and the KSA, as well as on broader regional stability. Regional countries refrain from getting involved. Many other U.S. regional partners, including the Gulf countries, are against a direct intervention of the U.S. in Yemen, partly because their populations are overwhelmingly pro-Palestine.

The U.S. re-designated the Houthis as a Specially Designated Global Terrorist (SDGT) entity. These designations trigger economic sanctions and authorize sanctions on those who provide “material support” to it.

The U.N. envoy, Hans Grundberg, continues his effort to discuss the current challenges and ways to protect the progress that has recently been made towards achieving a permanent ceasefire.³⁷

Conclusions

1. The KSA - Iran agreement had only political effects. It did not stop Iran’s financial aid and military support to the Houthis, thus not preventing its transformation into a malign military organization.
2. The KSA and the Houthis maintained a degree of non-aggression even in the current sensitive circumstances. However, the Houthis regard the talks with the KSA as an acknowledgment of their authority and a triumph in the war.
3. The Red Sea is an operational environment similar to the Arabian Gulf, so Iran might use it as a testing ground for new UAVs, missiles, and military tactics, techniques, and procedures (TTP) against the U.S. to see reactions and identify procedures. Moreover, by using the Houthis and denying responsibility, Iran doesn’t expose itself to direct consequences related to these actions.
4. There is no consensus on the absolute subordination of Houthi leaders to Iran. They want to maintain self-reliance in their own affairs and participate in the regional decision-making process as a partner.
5. The Houthi leaders are trying to exploit the war between Israel and Hamas in their own interests for use as intense propaganda to domestic and regional audiences, to gain legitimacy as the government of Yemen, and to project the image of a significant military power by opposing the U.S., equal to the IRGC and Hezbollah.
6. Strikes against specific Houthi military targets and interception of weapons smuggled from Iran are likely to significantly decrease the Houthis’ military capability. However, this is unlikely to stop Houthi attacks against ships if they have “windows of opportunity” because they need the narrative, more than effects upon ships, to assure their political survival. An intense U.S. strategic communication campaign about the strikes being only preemptive and defensive, while avoiding civilian casualties, would decrease the risk of escalation of the conflict in the area.
7. The U.S. military effort should be coupled with the diplomatic effort of the international community (EU, India – their economic interests are severely affected) and regional country (KSA, UAE, QATAR – their security is threatened), to put pressure on Iran to cut its funding for Houthi military operations, a faction which can destabilize the entire area.
8. Being a complex operational environment (tribes, clans), the U.S. should increase direct assistance to other Yemeni factions, which are enabled to contest the Houthi influence and could mitigate internal and external threats. Yet, the harsh reality is that the Houthis are already a strong military group.
9. In the short term, running a tit-for-tat military campaign, even with unfavorable cost-effectiveness, could prevent escalation and diminish its impact on Yemenis who are already experiencing a tremendous crisis. In the medium term, after a ceasefire in Gaza, a reassessment of Houthis and their capabilities is necessary since it proved to be a dangerous military faction with unpredictable behavior with a favorable geo-strategic position.
10. Ultimately, if the Houthis achieve their goals, we will have a new regional configuration and a new security environment where an alliance between Iran and Yemen (led by the Houthis) can disrupt, through a

³⁷ Office of the Special Envoy of the Secretary-General for Yemen, OSE Yemen Jan 24, 2024.

coordinated operation, two major SLOCs with tremendous strategic effects on global trade and global energy for the U.S., E.U., and other important countries.