



The Yemen Review

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The Sana'a Center for Strategic Studies

is an independent think-tank that seeks to foster change through knowledge production with a focus on Yemen and the surrounding region. The Center's publications and programs, offered in both Arabic and English, cover diplomatic, political, social, economic and security-related developments, aiming to impact policy locally, regionally, and internationally.

Cover photo: Water shoots out during a test of a pump, installed in Taiz city by the General Water Cooperation with support from UNICEF, on February 6, 2022 // Sana'a Center photo by Ahmed al-Basha

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Executive Summary

Yemen's political and economic situation worsened in the first months of the year as the impacts of the Red Sea crisis, which began in November, began to manifest themselves. Peace talks between Saudi Arabia and the Houthi group (*Ansar Allah*) were effectively placed on hold, and the United States broadened its response to the Houthi attacks, launching strikes alongside the UK against Houthi targets inside Yemen and designating the Houthis as a Specially Designated Global Terrorist group (SDGT), which came into effect on February 16. The designation could impact not only Houthi military and economic activities but also risks a further stranglehold on international humanitarian work in Houthi-run territories, as banks and exchange firms stop dealing with Sana'a-based entities. In late March, Houthi authorities issued a 100-rial coin to replace dilapidated notes, escalating the economic warfare between the two rival central banks. Denouncing the move as illegal, the Aden central bank branch prohibited the coins' circulation, but the real fear is that this is a trial balloon for a series of currency roll-outs that will end with Sana'a printing its own banknotes, possibly with foreign help, as rebel authorities did in Libya in 2019.

Prime Minister Maeen Abdelmalek Saeed finally stepped down, succeeded by Foreign Minister Ahmed Awadh bin Mubarak on February 5. Yemen's ambassador in Riyadh, Shaya al-Zindani, was belatedly appointed to the vacant foreign minister post on March 26. Neither man is popular with the PLC. Combined with the government's strained finances, this could hamper their effectiveness.

Houthi attacks on foreign shipping and US-UK attacks continued more or less unabated, causing in one case the sinking of a ship carrying fertilizer and diesel fuel. US-UK airstrikes have killed at least 37 on the Houthi side, and reportedly some Islamic Revolutionary Guard Corps officers. After talks with Omani officials in Muscat in early April, the US Yemen envoy appeared to hold out hope of a resolution, suggesting the sanctions would be lifted if the attacks stopped – as tensions rose again between Iran and Israel, with possible implications for Yemen. Tensions also rose on frontlines inside Yemen as Houthi and government-aligned forces reinforced their military presence in several areas, including Hudaydah and Marib. The US-UK strikes also heightened the repressive atmosphere in Sana'a and elsewhere, as Houthi authorities cracked down in areas near mobile launch sites and introduced a new law against support for Israel that is already being used as another cudgel to crush dissent.

Al-Qaeda's Yemen branch announced the loss of its leader Khaled Batarfi in March, who died after several months of illness. He was replaced by Saad al-Awlaqi, a senior Yemeni figure with strong tribal ties in Shabwa who is popular among younger members of the group but whose ties with Iran-based Saif al-Adel, the de facto leader of the global organization, appear to be tense. Al-Qaeda also lost Saif al-Adel's son, known as Ibn al-Madani, reportedly as a result of a fire in the place where he was staying in Marib, and the group's lead drone expert Khaled al-Sana'ani also died in an apparent traffic incident – incidents that have raised speculation of possible internal skulduggery as Al-Awlaqi settles into his new role.

The Sana'a Center Editorial

Protect Yemen's Path to Peace

Just six months ago, backchannel Saudi-Houthi peace talks were nearing their conclusion. The basic outlines of a deal were known to government parties and the external players involved in the Yemeni crisis. Many objected to its terms, but Saudi Arabia's stranglehold over the Presidential Leadership Council (PLC) made it feel like a *fait accompli*. Members of the PLC doubted that the Houthis would ever invite them back into a unified government, except in the most superficial manner. The Southern Transitional Council (STC) feared that the right to self-determination in areas of the former southern state would slip down the agenda. The US, which had been pushing for Saudi Arabia to end the war since 2021, became nervous that Riyadh was rushing into a deal that could work to Iran's advantage. No one was happy, but there was a clear path forward.

Deescalation and the Saudi roadmap acquired a momentum of their own. Ordinary people clearly welcomed the respite from years of crushing conflict, benefiting from a series of formal and informal truces that began in April 2022. Though some frontline areas remain tense, the Saudi-Houthi talks facilitated the reopening of Sana'a airport and the easing of international restrictions on the ports of Hudaydah, alleviating conditions somewhat within Houthi-run territories. The combination of Saudi pressure from above and popular pressure from below gave a sense of inevitability to the talks, despite ongoing Houthi escalation on the frontlines. There appeared to be little that could deflect the Saudis from their determination to ensure quiet on their southern border and protect their fantastical development plans.

All that has changed since October 7 and the ongoing stand-off between Western powers and the Houthis over their attacks on Red Sea shipping. A heightened atmosphere of fear and repression has swept Houthi areas as authorities crack down on dissent. The economy has deteriorated as ships avoid the ports of Hudaydah. The full effects of the US re-listing the Houthis as a Specially Designated Global Terrorist group will likely become apparent in the coming weeks. Money transfers running through Sana'a are drying up, hitting businesses and humanitarian organizations hard. According to the UNHCR, **18.2 million people** are in need of assistance in Yemen. Military leaders on the government side have begun maneuvering to win US favor and support as a buffer against Houthi forces.

Without a miraculous end to the war in Gaza, the situation will get worse. The Biden administration is under congressional pressure to list the Houthis as a Foreign Terrorist Organization, which could completely freeze money flows into the country. It is also considering ramping up its support of government military outfits through direct arming of anti-Houthi factions – the major candidates being the National Resistance forces or Giants Brigades on the Red Sea coast, or parts of the STC. If such **a policy** comes to fruition, it would follow in the dubious footsteps of similar US efforts with local proxies in Iraq and Syria. There is a fundamental imbalance in military strength between the Houthis and the

government that does need to be addressed. But backing individual elements will be nothing more than a stop-gap solution that increases government divisions in the long term. Over the past 10 years, the Houthis have been able to use division and competition among the political factions on the government side to expand their power base. They will easily manage to do the same again, while civilians die in greater numbers if the war escalates once again.

Worst of all, there is no plan among regional or international actors for how to exit this quagmire. The Houthis are hunkering down for prolonged operations in the Red Sea, and even threatening to disrupt ships in the Arabian Sea that have rerouted to the Cape of Good Hope. The US is hunkering down with plans to further its military and financial responses, though notably the US envoy recently renewed an offer to **revoke the terrorism designation** if the Red Sea attacks stop. Yemen, meanwhile, is suffering real harm from the Houthis' adventurism and ideological obstinacy. It's hard to see the Saudi-Houthi talks being revived in the near future, and with them gone, the hope evaporates for a host of other measures, such as the regular payment of public sector salaries, economic reconstruction, or a resumption of oil and gas exports.

Amid this bleak outlook, one of the most serious dangers of the current moment is that key international actors will start to view Yemen primarily as a security problem and set aside the peace-building efforts that have begun to show real benefits. Giving up on incremental initiatives such as reopening roads, promoting political dialogue and inclusivity, prisoner releases, economic de-escalation, supporting Yemeni civil society and so much other work – which might not seem important to foreign leaders – risks exacerbating the very security threats that worry them.

In order to avoid this scenario, there is a desperate need for a strategic approach that considers how to restore a balance of power in the country as the basis for a meaningful peace process, while also putting the precarious economic and humanitarian situation at the forefront of policy. International support for Yemen should strengthen the central government rather than its individual components – primary areas of focus could include combatting corruption, increasing its military cohesiveness, and economic support. Washington in particular should resist further sanctions that would, counterproductively, impact ordinary Yemenis more than the Houthis.

The Houthis, meanwhile, must reconsider the consequences of their actions for the impoverished people they govern. Worryingly, their primary goal increasingly appears to be the pursuit of greater and continual confrontation with Western powers, rather than supporting Gaza and the Palestinian people. For Yemen's sake, now is not the time for further escalation.



Yemenis shop at the Old City market in Aden's Crater district on March 9, 2024, ahead of the start of Ramadan // Sana'a Center Photo by Rajeh Al-Omari

Politics and Diplomacy

Ned Whalley

Red Sea Escalation Sows Fear and Uncertainty

The political situation in Yemen has been completely upended by the regional and domestic fallout wrought by Houthi attacks on maritime shipping and the conflict in Gaza. Peace talks between Saudi Arabia and the Houthi group (*Ansar Allah*) are now on hold indefinitely, and the future of a seemingly imminent deal is now unclear. Attacks on vessels transiting the Red Sea have continued despite more than two months of American and British airstrikes, which inject further uncertainty into the conflict. The Houthis have built a propaganda campaign around their operations to build support and consolidate control. The divided internationally recognized government lacks the capacity to respond, and with few good options, the West's strategy remains unclear. With negotiations stalled, Yemen is now staring down a bleak future of continued economic hardship and institutional deterioration, and revitalized chances of a return to broader conflict.

Houthis' Leverage Attacks to Quell Dissent, Consolidate Power

The Houthis' intercession in the Red Sea and the Western response raise the specter of renewed internecine violence and political instability in Yemen. The conflict has been quieted since a major Houthi offensive failed to take the oil-rich area of Marib in the winter of 2021-22, and the frontlines have remained fairly stable ever since. This state of affairs continued through a UN-sponsored truce brokered in April 2022, and survived its acrimonious collapse later that year. There were initial benefits to stabilization, particularly in Houthi-controlled areas, as peace talks with the Saudis relaxed restrictions on trade and travel. The Houthis leveraged the talks and their military supremacy to conduct economic warfare against the internationally recognized government, blockading oil and gas exports and taking a share of customs revenue. But with the economy deteriorating after years of conflict, and fewer spoils to deliver to its fighters and adherents, public discontent began to grow. The Houthis govern a populace that far outnumbers their own supporters, and financial hardship aggravated popular resentment, particularly over the non-payment of public sector salaries, with workers now owed over five years in back pay. Last August, the teachers' union went on **strike**. In late September, demonstrators openly celebrated the anniversary of the republican revolution in perceived defiance of Houthi rule, triggering a crackdown by authorities. Houthi control was never seriously challenged, but its inability to pay salaries is an important weakness, and has been the key demand in talks with Saudi Arabia.

But regional events handed the Houthis a trump card, and they were quick to play it. Following a bloody Hamas-led incursion on October 7, Israel invaded the Gaza Strip. In response, Houthi forces began targeting commercial ships in the Red Sea, casting drone and missile attacks as part of an economic blockade of Israel in solidarity with the besieged residents of Gaza. Houthi operations escalated dramatically with the capture of the *Galaxy Leader* cargo ship on November 19, and have continued in earnest against targets in the Red Sea and Gulf of Aden (see, *Military and Security*). The Palestinian cause remains an important touchstone in the Arab World, and in Yemen particularly. Anti-Israeli and anti-American sentiments have been part of the Houthis' official slogan since the group's inception, long before it had the means to act against either. But the group has seized on the horrors unfolding in Gaza, casting itself as an active member of the Iran-led Axis of Resistance. While **demonstrations** in solidarity have taken place across Yemen, the Houthis have institutionalized them into massive weekly marches, and are using the war in Gaza and their own operations in the Red Sea to quell discontent and dissatisfaction.

Anger over the dire economic situation is now being channeled or sidelined by popular mobilization in support of Palestine. The levels of **Houthi-orchestrated mobilization** at all levels of society are extraordinary, verging on totalitarian, and appear to be both helping cement the groups' legitimacy and providing large numbers of new recruits. Further, the situation has provided justification for a new wave of authoritarian **repression**. Critics of the group can now be charged with collusion with Israel and the West, and an accusation alone is apparently sufficient for their incarceration and the forfeiture of their property and assets. This even extends to women: human rights activist Fatima al-Arwali **was sentenced to death in December** on vague charges of "espionage and aiding hostile parties." The Houthis have long acted with impunity, and conducted arbitrary arrests, forced disappearances, torture, and extrajudicial murder. But the codification of such practices into law is a troubling step.

It is unclear how long this state of affairs can last. Now six months old, the war in Gaza has gone on longer than many observers expected, and the international community has done little of consequence to effect its end. So long as it continues, the Houthis can exploit the resistance narrative to channel public anger toward Israel and the West, allowing them to sidestep questions of economic mismanagement and entrench their authoritarian rule and millenarian ideology. But the dire economic situation cannot be avoided indefinitely. The Houthis continue to fund their operations through their dominance of business interests, appropriation of public assets, and collection of taxes, but the **ongoing** deterioration of the economy risks a renewal of popular discontent. Alleviating such pressure will prove difficult. Attacks on shipping have doubled the cost of imports, and with ships rerouting away from the ports of Hudaydah, the group is not collecting the customs revenues it had secured on their reopening. Growing **escalation** between branches of Yemen's divided central bank and fallout from the Houthis' reinstated terrorism designation have hindered remittances and internal cash flows. And any relief promised by a Saudi-Houthi peace deal is now further away.

At present, the Houthis still **seem** inclined to entertain Saudi overtures and conclude an agreement that would facilitate Riyadh's departure from the conflict in exchange for much-needed cash. They have made positive statements regarding the reopening of **roads** and the potential resumption of **oil and gas** exports. But emboldened by their continued successes, the Houthis could leverage their military capacity again at any point, even after a deal, either to extract further concessions or make gains on the battlefield. The group has sent reinforcements to multiple frontlines in the last few months. Flush with new recruits, and bestowed with a new level of regional and international legitimacy, they could again press on Marib and attempt to claim its lucrative oil fields and refining capacity. If final status talks with the government ever take place, the Houthis will hold the whip hand, their position and legitimacy only strengthened by their operational reach into the Red Sea.

No Good Options for the West

Houthi attacks on shipping quickly raised the groups' international profile, and drew global attention to the vulnerability of traffic through the Red Sea and Bab al-Mandab. After a series of **condemnations**, **public warnings**, a **UN resolution**, and the **announcement** of a multinational maritime defensive task force, the US and the UK ultimately rose to Houthi provocation and responded in kind, **launching** a series of airstrikes on military installations and missile launch sites on January 12. The US **provided** logistical and intelligence support to the Saudi-led coalition against the Houthis at the outset of Yemen's civil war, but its appetite for involvement diminished after criticism of excessive civilian casualties and the assassination of journalist Jamal Khashoggi in 2018. President Biden moved to **limit** America's role to defensive functions upon his arrival to office, and removed the Houthis' terrorist group designation that had been hastily imposed by his predecessor. But the US is now a party to the conflict, conducting ongoing strikes and **reinstating** the terrorism designation on February 16.

The decision to re-engage with direct action against the Houthis has enormous political ramifications. The first problem is that the strikes, even in concert with US and EU defensive maritime task forces and efforts to interdict Iranian weapons shipments, have been ineffective at stemming attacks on shipping. Apart from a brief pause in February, when weapons reportedly ran low, Houthi attacks have continued unabated. The end of March saw a similar lull, but it is unclear if this is due to the airstrikes' effectiveness or increased caution after the **arrival** of Russian naval vessels to the region and a seemingly accidental **attack** on a Chinese tanker. The

US has reportedly been careful to limit airstrikes to missile and drone sites and related military installations, but the Houthis are used to aerial bombardment, and much of their arsenal is mobile. Neither direct damage nor the depletion of weapons stockpiles have eliminated their operational capabilities. And the groups' attacks do not require a high success rate to sow chaos and scare off shipping – even in a degraded state, they retain some deterrent effect.

The material impact of the Houthi attacks on Israel is limited. Most of Israel's trade comes through the Mediterranean, and attempts to hit its Red Sea port of Eilat have been largely ineffective. The city has been economically harmed by the situation, but this is true for nearly all regional ports, including those of poorer countries along the Horn of Africa. The hardest hit economies are likely those of Egypt, which has lost significant revenue from the Suez Canal, and, tragically, Yemen, whose access to trade and humanitarian relief has been thrown into jeopardy. And while the Houthis have claimed to target only ships linked to the US, UK, and Israel, or those servicing Israeli ports, they have struck a number of vessels with no obvious ties. Even a reported [deal](#) to avoid Russian and Chinese ships was promptly followed by an attack on a Chinese tanker.

Perhaps due to the confined scope of Houthi operations, the US has refrained from targeting the group's leadership, defense ministry, or frontline forces. Doing so would introduce an even greater level of instability in Yemen – it is unclear what would transpire if members of the Houthi leadership were assassinated, or if the group's stranglehold on power in the north was suddenly loosened. The organization has a centralized and hierarchical structure, which could ameliorate the loss of some senior figures. But the current level of US and UK action has accomplished little apart from allowing the Houthis to trumpet their defiance of the West and Israel, providing powerful rhetorical ammunition for their consolidation of power. Houthi attacks on US military vessels have been unsuccessful, but in such circumstances, simply enduring the airstrikes can convincingly be touted as victory.

Houthi propaganda has only been bolstered by the [messaging](#) coming out of Washington and London. Both capitals have attempted to separate Houthi attacks from their stated cause, the Israeli invasion of Gaza, [and cast](#) the airstrikes as combatting Iran-sponsored terrorism and [protecting](#) international trade. But association is in the eye of the beholder. Whether or not it has conditioned Israeli military action or placed strain on the Israeli economy, the boldness of the Houthi attacks is enormously popular both in Yemen and the region, particularly in contrast with the West's lack of moral courage on Gaza. The US has provided military support and political cover for the Israeli invasion since the outset, and its apparent indifference to flagrant violations of international law and the staggering number of civilian casualties colors perceptions of its military response in Yemen. A congressional spending bill [proposes](#) to end all US support for UNRWA, one of the largest employers and providers of assistance in the enclave. Repeated calls for a ceasefire in the UN Security Council were vetoed by the US, and a resolution only passed after it finally abstained from voting. The unwillingness of the US and the West to seriously push for an end to the fighting in Gaza delegitimizes their claims to uphold the international order and, in many quarters, lends legitimacy to continued Houthi violence on behalf of the Palestinians.

Perhaps aware of the limited effects of airstrikes alone, the US seems to be looking for domestic partners in Yemen, a notion that various elements in the internationally recognized government have been eager to encourage. A [visit](#) by National Resistance forces chief and Presidential Leadership Council (PLC) member Tareq Saleh to London was rumored to have been accompanied by requests for support, and the US is apparently evaluating a number of actors

with an eye toward bolstering forces opposed to the Houthis, either through material support or coordinated action. There are a number of obvious problems with such a plan. The government remains divided, and the fraught legitimacy of constituent members of the PLC stems primarily from their military capabilities. Empowering one faction against the rest could further upset the fragile balance between them, which has already produced popular mobilization, military confrontation, and violence. This would weaken the internationally recognized government, furthering the imbalance of power in favor of the Houthis and imperiling the prospect of a negotiated settlement.

The members of the PLC are also subject to the policies of their suzerain backers, Saudi Arabia and the UAE, and it would take the commitment of significant resources over a long period to effect or supersede such relationships. The Saudis are loath to antagonize the Houthis, as they still hope to conclude a deal, and the UAE, while more hawkish, has demonstrated limited interest in pressing north since the 2018 Stockholm Agreement halted an advance by allied forces up the west coast. Continued tensions between the Gulf rivals only complicate matters further, as do politics within their own governments.

The Saudis' preeminent position in the coalition is not borne out on the ground, where the two most powerful groups in the south are backed by the UAE: the Southern Transitional Council (STC), led by PLC member Aiderous al-Zubaidi, and the Giants Brigades, headed by Abdulrahman al-Maharrami, also known as Abou Zara'a. Their priorities are incongruous with those of the West. The STC retains an openly secessionist ideology, advocating the revival of a southern state, and may be uninterested in fighting for territory it has no interest in keeping. Abou Zara'a is a problematic figure in his own right, and the Giants Brigades contain Salafi elements, which the US will likely be hesitant to support. Vying for international attention and support has reportedly already sown suspicion between the two groups. Tareq Saleh's National Resistance forces are another candidate, given their concentration on the west coast. But like other Yemeni leaders, Saleh is preoccupied with the war on the ground and the balance of power, both within the government and with respect to the Houthis.

In the short term, it is not clear that the West is capable of stemming Houthi attacks. The majority of Houthi drone and missile attacks have failed to hit their targets, but their operational successes, and the threat of further action, have been enough to see shipping prices spike and ships rerouted. Ending the attacks completely would entail the complete destruction of launch sites, stockpiles, and manufacturing capabilities, and interdicting smuggled weapons. This is likely impossible. The US has no diplomatic leverage with the Houthis, and little with Iran following the end of the JCPOA. Escalating the scope of airstrikes and attempting to remove the Houthis or pressure their leadership is likely tempting, but there is no obvious choice for a domestic partner to provide ground support, and the US is unlikely to send significant troops of its own. Empowering disparate elements of the divided government is unlikely to be effective and could well be destabilizing.

The best chance of quickly ending the attacks in the Red Sea is through a comprehensive ceasefire and an Israeli withdrawal from Gaza. There is disagreement among experts as to whether the Houthis would even stop at such an outcome, or if they would continue until further concessions are offered and greater public legitimacy accorded. Certainly, the Israeli occupation provides them an indefinite pretext. But the US seems intent on its current course in Palestine: it has done little to pressure Israel outside of muted public admonishment, and given the scale of atrocities that have already occurred it is doubtful further episodes will change matters.

In the long term, the West likely has to contend with a new form of leverage by the Axis of Resistance on the Red Sea. The Houthis could plausibly be conditioned by a peace deal or the burdens of governance, to the point where the massive disruption of trade to Yemeni ports is no longer in their interest. But the attacks jeopardize the very peace that could incentivize a change of behavior, and at present Saudi Arabia seems content to negotiate by appeasement. The accumulation of weaponry by the Houthis, much of it Iranian, has transformed their operational capabilities, and with it their regional and international leverage. The mass production of cheap unmanned aerial vehicles and their proliferation could well rearrange the asymmetry between the West and armed non-state actors more broadly, much as Kalashnikov rifles did half a century ago. At present, they seem to have few answers to the challenge. If the US wants to act in Yemen, it should do so with economic and logistical support to the internationally recognized government, that it might better serve the pressing needs of its people and better represent them in final status talks.

Government Gets New PM, But Remains Sidelined

Sidelined in the Saudi talks, foundering on the edge of bankruptcy, and faced with continued economic and institutional degradation, the internationally recognized government has been little more than a spectator to the international crisis in the Red Sea. Prime Minister Maeen Abdelmalek Saeed, long expected to be replaced, finally stepped down, succeeded by Foreign Minister [Ahmed Awadh bin Mubarak](#) on February 5. Bin Mubarak previously served as Ambassador to the United States and the United Nations, and was chief of staff to former President Abdo Rabbu Mansour Hadi. He was abducted by the Houthis in January 2015 and placed under house arrest, and has since been an outspoken critic of the group. Saeed is now serving as an advisor to PLC chief Rashad al-Alimi.

Bin Mubarak has been keen to appear busy upon his entry to office, conducting meetings with officials from the electricity sector, Tax Authority, and Central Organization for Control and Audit. He established a new [fuel tenders committee](#) on February 18, and ordered the [suspension](#) of the head of the Tax Authority, pending an investigation. This has driven a similar flurry of activity from other politicians. But Bin Mubarak's power and influence is limited. He was reportedly Riyadh's choice for the post, but is said to be unpopular in his own cabinet and with the PLC. Yemen's ambassador in Riyadh, [Shaya al-Zindani](#), was appointed to the vacant foreign minister post on March 26. Zindani is reportedly not popular either, and members of the PLC reportedly delayed his swearing-in, apparently in hope of finding someone else.

The primary problem is that the government has very limited agency due to its reliance on limited foreign funding. Bin Mubarak's arrival was accompanied by the release of a second tranche of a Saudi grant, worth some 1 billion Saudi riyals (US\$250 million), which stabilized the Yemeni riyal and allowed the government to resume its suspended FX auctions, which finance the import of basic commodities, including food (see, [The Economy](#)). The government was very nearly out of money; Bin Mubarak had reportedly requested officials to limit all non-essential travel to cut costs. An Emirati fuel grant has helped provide electricity to Aden, a perennial problem that sparked demonstrations last year. But the drip-feeding of grant money leaves the government unable to undertake comprehensive reforms and is insufficient to reverse the steady decline of the currency and living conditions. [Over half](#) of the population of Yemen is reliant on humanitarian support, and aid appeals are routinely underfunded. It is unclear why the Saudis seem so inclined to keep the government in permanent supplication. Riyadh may be concerned

that further support would jeopardize the resumption of its talks with the Houthis and the inter-Yemeni talks that are intended to follow. But the divided government will inevitably be the far weaker party in any such negotiations, undermining it further injects the possibility that it will not survive long enough to participate. In the interim, the civilian populace continues to suffer growing and needless deprivation.

In hope or desperation, elements of the government have attempted to leverage renewed Western interest into material support. Al-Zubaidi openly **called** for the US and UK to share intelligence and provide weapons and training to pro-government forces, calling insufficient support of ground forces a key failure in the war so far. National Resistance forces leader Tareq Saleh met with US Ambassador to Yemen Steven Fagin and regional US commanders in February; the two had spoken earlier via **video conference**. Al-Alimi met UK Foreign Secretary **David Cameron** in Riyadh, and pressed Britain to follow the US in designating the Houthis a terrorist organization; the government also hopes the US will upgrade its own designation to Foreign Terrorist Organization, which entails a wider range of sanctions and travel bans for anyone who associates with the group. Al-Alimi also traveled to the Munich Security Conference, meeting with the Bahraini foreign minister and NATO Assistant Secretary-General for Political Affairs Boris Ruge. In March, he reportedly approached the US about extending protection to southern ports and oil export terminals to allow the resumption of hydrocarbon exports, the government's primary source of income and foreign currency before the Houthis shut them down with a series of drone and missile strikes in October 2022.

But support for individual government actors will only underwrite internal competition. In February, STC forces **faced off** with Saudi-backed Nation's Shield forces in Hadramawt, who were attempting to take up positions near Mukalla. Nation's Shield forces were formed with the intent of giving PLC chief Al-Alimi his own armed group, and the tensions between the forces reflect both Saudi-UAE competition and ongoing competition on the council between Al-Alimi and Al-Zubaidi. But the episode is just one of many. STC forces have routinely mobilized against Islah-aligned forces in the 1st Military Region in Hadramawt, and there are continued reports that tensions have grown between the STC and the Giants Brigades, under their increasingly prominent leader Abou Zara'a.

Yemen's war had transformed into an economic contest, but the uncertainty accompanying renewed military escalation likely has commanders worried. The Houthis have mobilized huge numbers of recruits on the back of propaganda relating to Palestine, and reinforced a number of key frontlines. There has been continued fighting, particularly in Taiz, Al-Dhalea, southern Hudaydah, and Marib. The government cannot be confident that the Houthis will not seek to press their advantage, either in the short term or following the Saudis' intended departure from the conflict. The government is right to seek support to shore up its position, but the competition between its members and their foreign backers has been a problem since its bizarre inception two years ago. The prospect of Western support both highlights and reinforces these divisions, and if not done carefully, its destabilizing impact will outweigh any material benefits.

Prospects for Peace Recede

The greatest casualty of the Red Sea attacks has been the indefinite postponement of Yemen's peace process, as the parties reassess their positions and strategies. Bilateral Houthi-Saudi talks had been progressing for a year when the maritime attacks began, and the announcement of a deal had appeared imminent. That process, known as the roadmap, would have orchestrated the

Saudis' exit from the conflict and been followed by inter-Yemeni talks. The long-term political prospects of the proposal have always been fraught. It is unclear how the Houthis could ever be incentivized to share or relinquish power, and recognition of their de facto control of north Yemen would herald the end of a unified state. Houthi Deputy Chief Negotiator Abdelmalek al-Ejri has reportedly **said** that Abdelmalek al-Houthi would continue as supreme leader under any arrangement, the first such public testament of the group's post-war intentions. De-escalation has brought benefits to Yemen, particularly in Houthi areas, with the reopening of Sana'a airport and the ports of Hudaydah. But escalation in the Red Sea has thrown the peace process into jeopardy.

The Saudis have been careful not to overtly criticize the Houthi attacks, likely due to their continued interest in a deal, fear of being targeted themselves, and concern over domestic sentiment. Of all the belligerents, the Saudis' position may be the most fixed: the kingdom is clearly set on extricating itself from the war in Yemen as soon as possible. It has gained nothing from its involvement, and is far more interested in its own development and pursuit of regional economic power. Riyadh seems to have belatedly understood that it will be far cheaper to buy its way out than to continue. If anything, the fighting in the Red Sea only justifies its view that the Houthi threat of perpetual economic disruption cannot be contained via airstrikes. Entrenching the Houthis may give the West pause in supporting peace talks, but having already tried to remove them by force, the Saudis have few other options. A Saudi-Houthi deal may still be possible: in late March, there were unsubstantiated rumors that a Houthi delegation had traveled to Riyadh to renew discussions. Whatever the case, the kingdom's objectives, and its preferred means of obtaining them, remain unchanged.

For the US, the situation is far less clear. The Houthis' newfound capabilities present a troubling development, and extend the reach and deterrent capabilities of **Iran** through its coalition of non-state actors. Though it had offered its support to both the UN peace process and the bilateral Saudi plan that subsequently overtook it, Washington is now unlikely to back a peace deal that rewards or further empowers the Houthis. As financial compensation was a key pillar of the proposed deal, this could be a significant impediment. In any event, the West will not support an agreement while the attacks in the Red Sea continue. In turn, the targeting of shipping is unlikely to abate while the war in Gaza continues. With Israeli officials **suggesting** fighting will continue throughout 2024, there may be little room for movement. US Special Envoy for Yemen Tim Lenderking recently **met** with Saudi and Omani officials, and told the media that the US, "favor[s] a diplomatic solution, we know that there is no military solution." But given the airstrikes currently underway, the remarks likely reflect a willingness to keep options open, rather than a push for action on peace talks.

The internationally recognized government, excluded from negotiations and presented the roadmap by Saudi officials as a *fait accompli*, remains in a difficult position. Riyadh's transparent attempts to extricate itself from the conflict at any cost will hurt the government's bargaining position when they are finally allowed at the table, as will Saudis' apparent efforts to keep them incapacitated. With such a weak hand, the government should dread final status talks, but its current predicament is such that it may welcome whatever economic respite they provide. With the negotiations pushed back, the government returns to its perennial preoccupations of economic and institutional collapse, military competition, and internal division.

The Houthis' decision to risk the process in search of global and regional recognition has brought them immediate benefits, though events have yet to run their course. They seem confident that the Saudis will be happy to pick up where they left off, and having demonstrated the extent of their military capacity, will likely seek further compensation. Such maximalism has already paid dividends in negotiations. The Houthis have publicly expressed an openness to de-escalation measures. It seems unlikely they could strike a deal with the Saudis while drone and airstrikes are still ongoing, but there is nothing strictly preventing it, or for a private understanding that a deal will be concluded when international pressure is less intense.

But the Red Sea attacks and the intercession of the West bring instability and uncertainty. War is unpredictable, and the military and political fallout of the escalation is not yet apparent. Despite its clear problems, the promise of a Saudi-Houthi deal represented a step toward peace for a country that has gone a decade without it. There is hope that it can be salvaged, but for now the war and its deprivations continue.

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Pro-government army soldiers navigate a training course during a demonstration in Marib's Al-Wadi district on March 9, 2024 // Sana'a Center Photo by Majeed Al-Khudhami

Military and Security

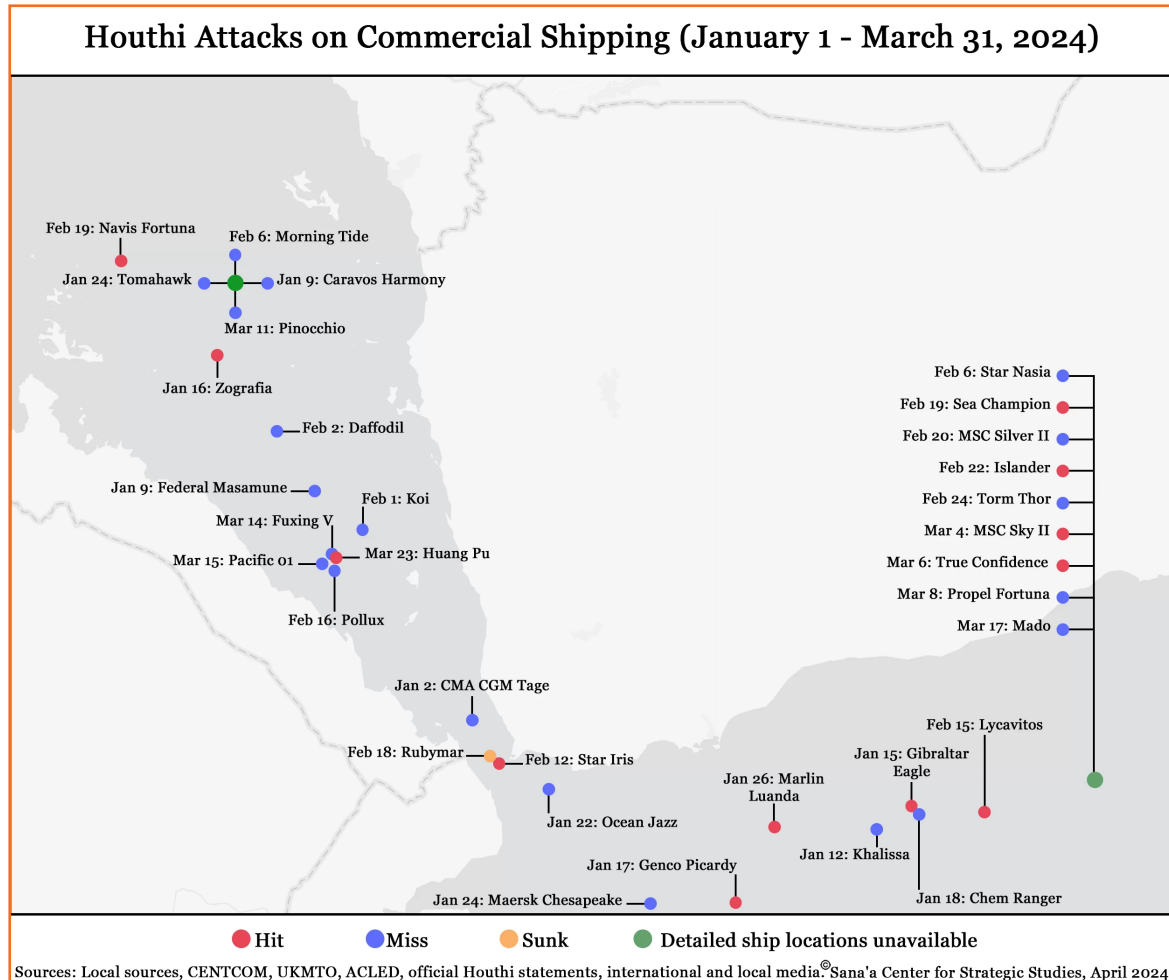
William Clough

Houthis Draw Blood in First Commercial Shipping Casualties

Houthi attacks on commercial shipping have continued unabated since the beginning of the year, undeterred by a series of countermeasures from the United States and its allies, including retaliatory strikes, a [terrorist designation](#) and associated financial [sanctions](#), and the formation of multiple anti-Houthi naval operations.

Since January 1, the Houthis have targeted 34 commercial vessels, 13 of which they have successfully hit. Of the targeted ships, at least 13 had clear ownership links to the US or United Kingdom, and an additional eight had ties to companies affiliated with US-, UK-, or Israeli-based entities. Other sources have claimed attacks on an additional four ships, but the Sana'a Center was unable to independently confirm this information.¹

¹ Editor's note on attacks on commercial shipping methodology: Data detailing Houthi attacks on commercial vessels in the Red Sea and Gulf of Aden is gathered from a variety of sources, including but not limited to: local sources, the United States Central Command (CENTCOM), reports from maritime surveyors such as United Kingdom Maritime Trade Operations (UKMTO), the Armed Conflict Location & Event Data Project (ACLED), official Houthi statements, and international and local media outlets. Claimed strikes that could not be independently verified by the Sana'a Center were not included in this report.



The majority of ships were traveling to destinations other than Israel, and all were targeted in either the Red Sea or the Gulf of Aden. Houthi forces have employed a number of weapons to target ships, including a variety of missiles, unmanned aerial vehicles (UAVs), unmanned surface vehicles (USVs), and unmanned underwater vehicles (UUVs).

Tensions spiked in the Red Sea on February 18 after the Houthis struck the *Rubymar*, a Lebanese-operated vessel transporting over 21,000 metric tons of fertilizer. The crew was forced to abandon ship and the vessel ultimately **sank** – a major purported victory for the Houthis. However, any initial feelings of triumph were likely cut short the following day, after a reported logistical mishap led to Houthi forces accidentally targeting a ship **carrying** foodstuffs to Yemen – including the Houthi-controlled port of Hudaydah.

Other hits – two of which **sparked** major fires that prompted **interventions** by the Indian navy – were eclipsed by the first civilian **casualties** from Houthi attacks on March 6. The Houthi attack on the *True Confidence*, a Liberian-owned vessel which had been previously managed by an American corporation, left one Vietnamese and two Filipino sailors dead and four others seriously injured.

In the midst of this prolonged naval struggle, the hijacked *Galaxy Leader* and its 25-member crew remain stranded in a secluded bay to the north of Hudaydah city, nearly five months since Houthi forces captured the vessel in November. But while satellite imagery shows that Houthi forces have **moved** the vessel within only a hundred meters or so of the coastline, the group has

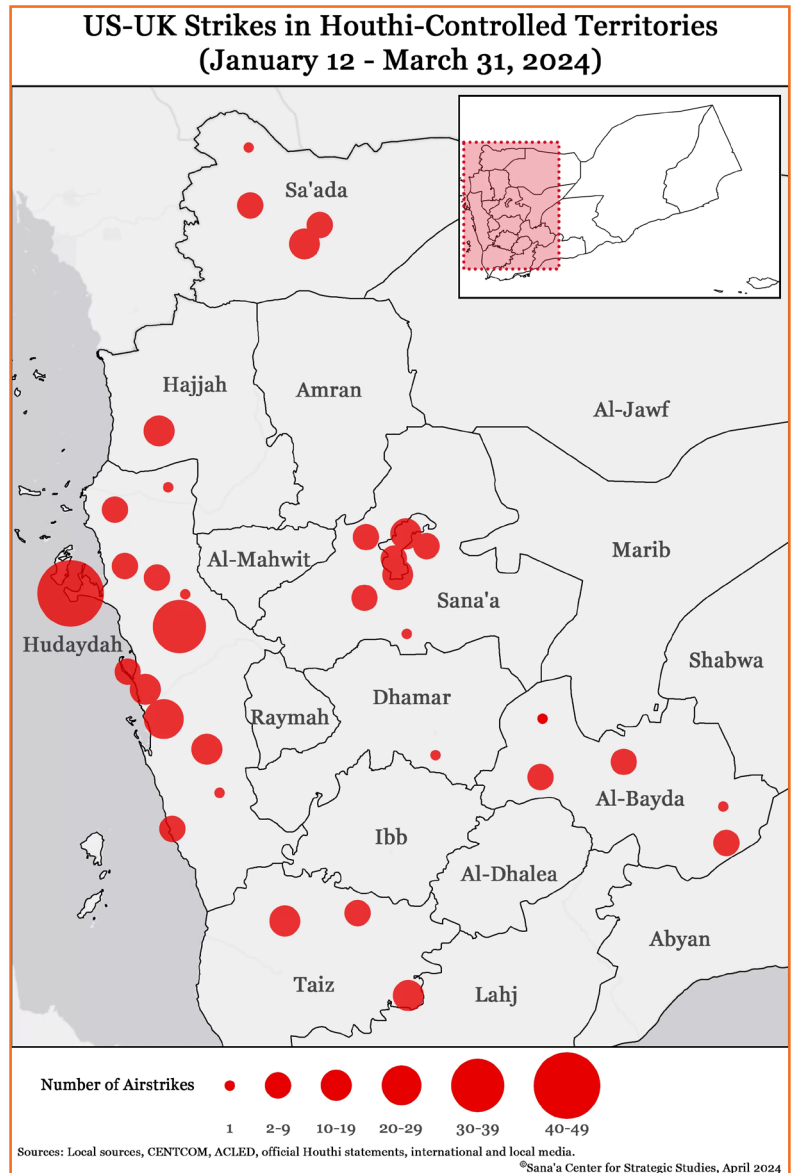
not yet made any public indications that it intends to comply with renewed American calls for the ship and crew’s release. In fact, a Houthi spokesman told CNN that the decision to release the crew was now “in the hands of Hamas,” raising concern over whether they will be allowed to return home any time soon.

American and British Airstrikes Target Houthi Territory

On land, retaliatory strikes meant to deter attacks on shipping have morphed into a drawn-out tit-for-tat campaign, in which US and UK militaries are engaging the Houthis in a sort of morbid real-life iteration of Hasbro’s Battleship.

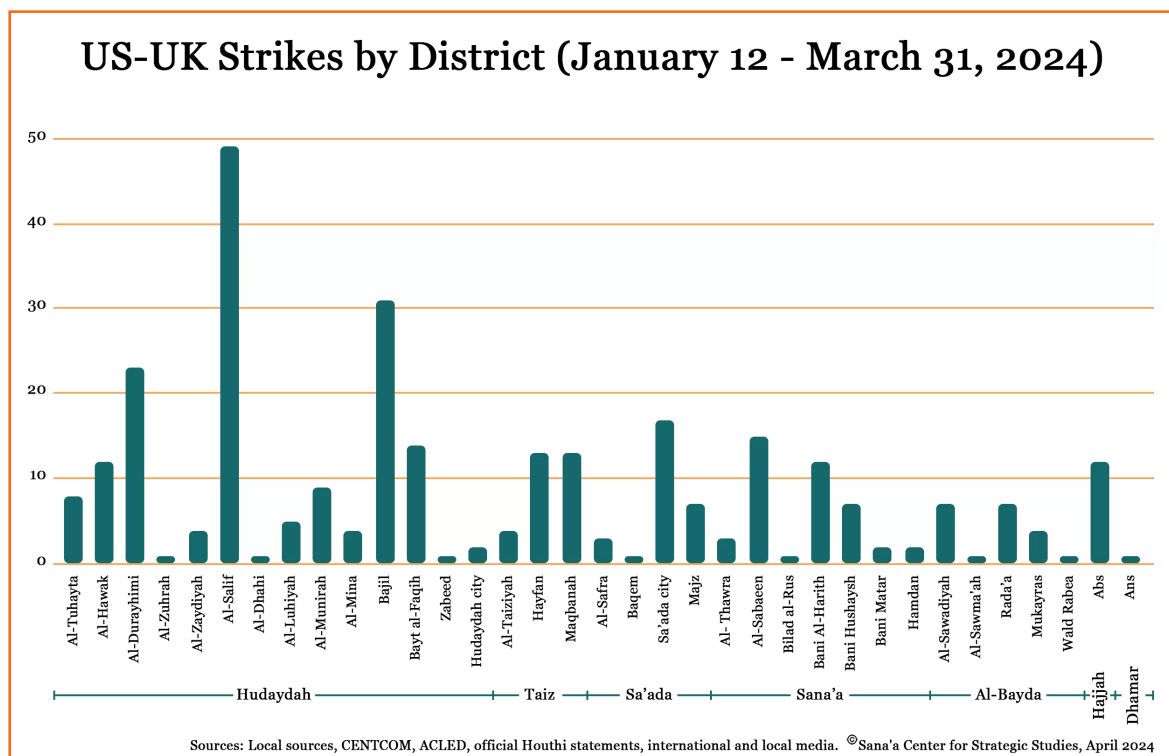
The Sana’a Center has recorded an estimated 296 American and British air strikes on Houthi territory.^[2] The initial attack on January 12 consisted of at least 25 strikes in 18 locations, though some sources have reported as many as 60. Of these, American aircraft and warships are responsible for the vast majority, with British forces publicly participating in just four strikes. While reports of the casualties incurred are sparse and unreliable, the Sana’a Center has received reports of at least two civilians killed and nine others wounded, with the actual numbers likely much higher. The number of Houthi casualties also remains murky, but medical sources in Hudaydah say that by mid-February, airstrikes had killed at least 31 Houthi soldiers and wounded nearly 100 others – with four Iranian officers reportedly among the dead. The Houthis, meanwhile, have reported that a total of 424 airstrikes have killed 37 people and wounded an additional 30 as of April 4.

In terms of weakening the Houthis’ ability to threaten shipping lanes, it is difficult to



^[2] Editor’s note on airstrike methodology: Whenever possible, the Sana’a Center relies primarily on reports from local sources in Yemen. When this information is not available, data is supplemented from a variety of open-source materials. In instances where these third-party sources reported that an attack occurred, but did not specify the number of strikes, the Sana’a Center tallied it as one strike. This discrepancy, combined with a lack of clear reporting from involved parties, may contribute to variation between data reported here and in other reports.

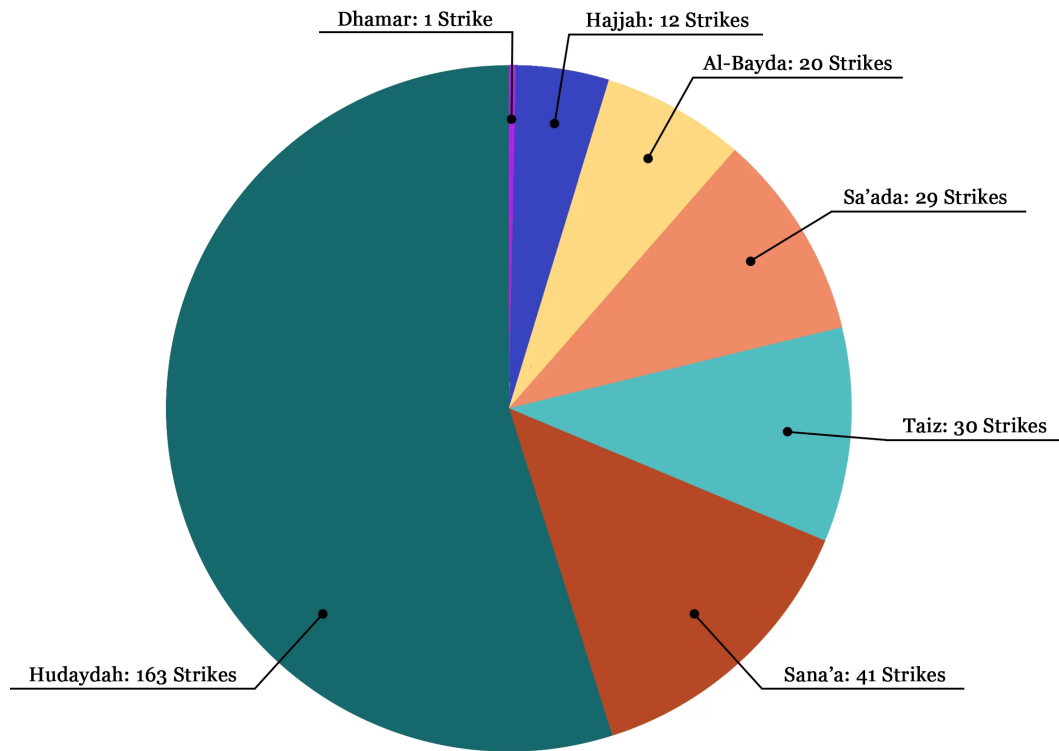
gauge how significantly US/UK operations have affected Houthi firepower without reliable statistics on the full range of the group’s arsenal. The most impactful strikes – at least to Houthi top brass – likely include those of February 24, which targeted weapons depots and bunkers in areas surrounding Sana’a city that Houthi top leadership are known to frequent. According to Houthi military sources, strikes like these have led to heightened security measures (and perhaps a healthy dose of paranoia) for military commanders, who have been said to restrict the use of digital phones and other technology that can be tracked. Other attacks have focused on coastal areas to the north of Hudaydah city – including Ras Issa, Al-Jabanah, Salif, and Al-Katheeb. These areas have taken the brunt of the bombing, but airstrikes have also targeted known depots and military sites across Houthi-held territories in Sa’ada, Sana’a, Al-Bayda, Dhamar, Taiz, and Hajjah. Nonetheless, the fact that much of the Houthis’ missile and drone arsenal consists of platforms that can be easily moved or relocated affords the group’s missile strategy a guerilla-esque element that makes traditional targeting more difficult.



heavy damage. Washington is likely to point to images like these as evidence that Operation Poseidon Archer is, at least on some level, **eroding** Houthi capabilities. Nonetheless, with an asymmetric battlefield favoring the Houthis and the actual number of the group’s weapons stockpiles unknown, it will only become more difficult to justify further attacks to **Congress** and American taxpayers. After all, it only takes one Houthi drone launched toward the sea for the group to remain a threat in the eyes of international shippers and a hero in the eyes of its base.

With this in mind, threats of **escalation** from Houthi leader Abdelmalek al-Houthi and unconfirmed **reports** of US Defense Department officials eyeing Socotra as a strategic military location fuel fears that a more formal US presence in Yemen may be on the horizon.

US-UK Strikes by Governorate (January 12 - March 31, 2024)



Sources: Local sources, CENTCOM, ACLED, official Houthi statements, international and local media. ©Sana'a Center for Strategic Studies, April 2024

Foreign Firepower in Yemen's Waterways

Anti-Houthi Operations

As attacks on shipping in the Red Sea and Gulf of Aden have increased, so too have efforts to both combat and mitigate Houthi maritime aggression. The US-led Operation Prosperity Guardian, which Washington officially **launched** on December 18 with the support of over 20 countries, has continued in full force. The American Navy and its partners have downed hundreds of Houthi drones and missiles – including 28 in a **single day**, and 21 in **another instance** – but at the cost of hundreds of thousands of dollars in military equipment, the deaths of three American seamen in **two** separate **instances**, and one very **close call**.

In tandem, the European Union **launched** Operation Aspides on February 19. The mission, which is based in Greece and led by an Italian admiral, had the initial public **participation** of seven member states, four of which have lent ships to the cause so far. Estonia later **pledged** a single service member, along with the Dutch, who **sent** a frigate in late March to assist both the American and European missions. Aspides' commencement has made shipping lanes quite crowded in terms of foreign military power, but – aside from a **jumpy trigger finger** on the Germans' first day – European warships seem to be working closely in league with their American counterparts. Aspides has allowed cautious EU governments to justify a military presence in the Red Sea, with a looser mandate that could prevent them from getting embroiled should the Americans choose to escalate what is already one of their **most intense** naval operations since World War II.

The Indian navy, while not formally involved in either of the maritime coalitions, has also played a large role in **protecting waterways** around the Gulf of Aden, rescuing two ships after they caught fire, while also pursuing and extraditing Somali pirates.

Questions Surround Houthi Intelligence Sources

However, it appears collaboration is not limited to anti-Houthi coalitions – the Houthis' proven ability to target and track commercial vessels with relative accuracy has raised questions about Iran's role in the attacks. To the Houthis' credit, at least some of the group's success in targeting ships can be attributed to their installation of GPS tracking towers along the coast of Hudaydah and launching of systematic patrols carrying tracking systems throughout the Red Sea, according to Houthi military sources and local fishermen.

However, American officials have expressed specific concern over the presence of the *Behshad*, an Iranian cargo ship long suspected of being one of Tehran's reconfigured spy vessels, in the Red Sea and Gulf of Aden. These suspicions were confirmed in part at least last month after the Iranian government **warned** Americans against tampering with the *Behshad* and another vessel, which it dubbed "floating armories."

The remark followed reports that US forces had conducted a **cyber attack** on the *Behshad* in early February, explaining the cargo ship's **unexpected detour** from its typical meandering route through the Red Sea to dock in Djibouti, only a short distance from a major Chinese military base. In the first days of the *Behshad's* more than two-week stint along the coast of Djibouti, Houthi attacks on commercial vessels witnessed a six-day hiatus, one of the longest lulls since attacks picked up intensity in the new year.

By early March tensions seemed to have abated enough for the *Behshad* to resume its sweep of the Gulf of Aden, with tracking systems putting the ship less than 50 nautical miles from the *True Confidence* when the Houthis launched their most precise and deadly strike to date. Interestingly, investigations following the attack on the *True Confidence* revealed that the ship was recently owned by Oaktree Ltd. – the same American company that is related, **via a Greek affiliate**, to an Iranian oil tanker that was **seized** by US forces last year, and then **recaptured** by Iranian forces this January.

The *True Confidence's* ownership has raised questions not only about **ship nationality** in general, but also over the Houthis' targeting methodology. At least six of the targeted vessels have changed ownership from an American, British, or Israeli-affiliated company, several of which did so after the start of the Red Sea shipping crisis. Initial reports from shipping experts insinuated that the Houthis could be using an outdated shipping database, but the targeting could be intentional, in an effort to circumvent the possibility of companies switching ownership to avoid targeting. And while a **recent attack** on a Chinese-owned ship raised further suspicions that the Houthis may be targeting ships with ghost owners, the reality is likely a mix of intent and negligence.

Houthi Repression Continues at Home Despite Calls for Liberation Abroad

Continued rhetoric from Houthi leaders demanding the liberation of Palestine appears to be successful in bolstering support for the Houthis' domestic base, as evidenced by massive **demonstrations** in Houthi-held territories on an almost weekly basis. However, calls for goodwill abroad have apparently not stopped the group from acting with impunity in Yemen.

In mid-March, Houthi forces in Al-Bayda's capital Rada'a city made international headlines after a local supervisor ordered the demolition of a house in the Al-Hafrah neighborhood, which in turn caused the **collapse** of three neighboring homes while the inhabitants were still inside. Estimates put the number of casualties upward of 12, with nine of the victims belonging to a single family.

The incident garnered censure not only from typical anti-Houthi voices, but also prompted rare internal **criticism** from top Houthi figures, who have demanded an investigation and reparations. But while the Al-Hafrah demolition is a tragic and extreme iteration of violence against civilians, it is by no means the first time the tactic has been employed by Houthi forces. Since the beginning of the year, the Sana'a Center has documented five incidents of Houthi forces besieging residential homes: on February 6 and 12, twice on February 13, and on March 7. On February 6, the Houthis blew up the family home of the Al-Taweel family in the Al-Mashaaebah area of Al-Mashanah district in southwest Ibb, resulting in violent clashes in the following days.

Human rights groups and activists have also highlighted a steady number of violations in Houthi prisons since the beginning of the year. In late January, a man **died** from suspected torture complications two days after his release from a Houthi prison in Sana'a, after being kidnapped from his home several weeks earlier. On February 8, a detainee in a Houthi detention center in Sana'a was denied medical care after sustaining injuries, reportedly from **torture**. A week later, the imprisoned head of the Yemeni Teachers Club, who was arrested by Houthi forces in October 2023, was also reportedly **denied** medical assistance after he suffered a hunger-strike-induced coma. And on February 26, another man reportedly **died** from torture in a Houthi prison in Taiz.

Maritime Fighting Increases Domestic Tensions and Frontline Fighting

Houthi attacks on commercial vessels and retaliatory airstrikes have also contributed to a heightened sense of tension in regard to internal security and frontline fighting. Houthi forces have cracked down in areas near mobile launch sites, blocking off large swaths of residential areas in southern and coastal Hudaydah and **arresting** four civilians for photographing a military site in Ibb on January 31.

In turn, local residents, fearing their lands could be targeted by American and British airstrikes, have pushed back against Houthi militarization in urban areas, with local authorities in Hudaydah **accusing** the group of using civilians as "human shields." And despite the fact that the group's recruitment (of both adults and **children** alike) indicates continued support across its base, opposition has, at times, turned violent. Tribesmen from Al-Bayda's western Al-Riyashiyah district opened fire on a Houthi missile launcher near their homes in early February, leading to clashes that ended with the arrest of 10 tribesmen and the death of several Houthi fighters, according to tribal sources.

In non-residential areas, Houthi forces have heavily reinforced frontlines in coastal Hudaydah, particularly in the Bayt al-Hashash Rub'a al-Mahal areas of Hudaydah's southern Hays district. Houthi positions in Al-Dhalea also received heavy reinforcements in late March following several weeks of intense fighting, with additional troops being sent from Sa'ada, Dhamar, and Ibb governorates to frontlines in the Hajar, Al-Fakher, Bab Ghalaq, and Murais areas. Local residents in both governorates worry that the reinforcements could be used as justification for a regional offensive, even if attacks at sea abate in the near future.

Fighting between Houthi, pro-government, and STC-affiliated forces has continued at a steady pace across multiple districts, indicating that the Houthis are not sacrificing internal strategic maneuvers for their maritime attacks. Clashes in Al-Dhalea were particularly fierce in recent months, with a two-week period from March 15-29 leaving an estimated 72 Houthi fighters dead and at least 125 wounded, and 28 anti-Houthi soldiers dead and 69 others wounded. Aqbat Tharah and Aqbat al-Halhal, along the border of Al-Bayda's southern Mukayras district and Abyan's northern Lawdar district, also continue to be a hotspot for fighting, along with fronts to the south of Marib city, particularly in Harib district and the eastern Al-Balaq Mountains.

Efforts to **re-open roads** through several of these areas – particularly Aqbat Tharah – raise questions not only about the future of these battlefronts, but also the politicization of such desecration measures as Houthi and government officials drift further away from hopes at the end of 2023 that a UN-brokered cease could be on the horizon.

Extremist Extermination? Several Al-Qaeda Leaders Reported Dead

A mysterious chain of deaths haunted Al-Qaeda in the Arabian Peninsula (AQAP)'s Yemen branch this month following the unexpected **announcement** of the death of the group's Saudi-born leader, Khaled Batarfi, on March 10. Batarfi, who reportedly died after several months of illness, took over the Yemeni branch of Al-Qaeda in February 2020. He was replaced by Saad al-Awlaqi, a senior Yemeni figure with strong tribal ties in Shabwa who is popular among younger members of the group.

Following Al-Awlaqi's appointment, a series of freak accidents involving other senior AQAP members in Yemen have raised concerns that the group's new chief may be trying to wipe the slate clean of potential rivals– leaving room for a handpicked leadership of his choice. Among the deceased are **Khaled al-Sana'ani**, who was responsible for Al-Qaeda's recent success in drone warfare and was reportedly killed in a traffic accident on March 15. The following day, a fire reportedly broke out at the home of and led to the death of **Ibn al-Madani**, the son of Saif al-Adl, the senior Egyptian jihadist and global Al-Qaeda leader based in Iran. Two weeks later, a third figure – Abdullah Manea Hadban, also known as **Abu Arfaj al-Jawfi** – was allegedly swept away by a flood in the SIRR Valley in Hadramawt's Al-Qatn district.

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100 rial coins issued by the Houthi-controlled CBY-Sana'a in late March to replace deteriorating 100 'old rial' banknotes // Sana'a Center photo

The Economy

Sana'a Center Economic Unit

Financial and Monetary Developments

Ripple Effects of the Houthi Terrorist Designation: Complexity and Uncertainty

The re-designation of the Houthis as a Specially Designated Global Terrorist group (SDGT) by the Biden administration, which took effect on February 16, has sparked a complex debate. The move follows a series of Houthi missile attacks on commercial vessels in the Red Sea and Bab al-Mandab Strait. The designation allows the US Treasury to impose sanctions on individuals and entities affiliated with the Houthis, potentially hindering their ability to fund activities deemed "terrorism" by the US. American citizens and companies are now prohibited from doing business with the Houthis unless they receive special permission. Even companies partially owned by the Houthis or related blacklisted groups are off-limits. Outside the US, the designation sends a strong message to other countries and organizations, potentially discouraging engagement for fear of violating US sanctions. Foreign businesses dealing with the Houthis could get into trouble, perhaps even landing on a similar blacklist. As a result, the new sanctions could limit the Houthis' ability to access funds for essential supplies, equipment, and salaries for fighters, potentially impacting their military capabilities.

The SDGT designation is intended to balance pressure on the Houthis with the safeguarding of humanitarian access. Compared to the broader Foreign Terrorist Organization (FTO) designation, the SDGT is less comprehensive, potentially minimizing disruptions to humanitarian aid delivery. While aiming to pressure the Houthis and deter attacks on commercial shipping, the designation has raised concerns about its impact on aid delivery and the Yemeni economy. To mitigate these risks, the US Treasury's Office of Foreign Assets Control (OFAC) issued five general licenses, authorizing specific transactions with the Houthis related to the provision of agricultural commodities, medicine, and medical devices (including replacement parts and components and software updates for medical devices); telecommunications, mail, and internet-based communications; personal remittances; refined petroleum products in Yemen; and port and airport operations essential to the Yemeni people.

Despite the targeted approach, concerns exist about unintended consequences to the Yemeni economy and humanitarian access. While the designation excludes direct sanctions on humanitarian actors, it could create a climate of fear and discourage engagement, inadvertently hindering aid delivery to millions in need. The Houthis control the most populous areas of Yemen, where 70 percent of the population is estimated to live. The designation, coupled with the ongoing conflict, could further cripple trade and investment, worsening the already dire economic situation and fueling further instability.

The designation has the potential to significantly impact Yemeni banks, compounding their isolation from the global financial system. Foreign correspondent banks (FCBs) are likely to ramp up de-risking measures and adopt stricter anti-money laundering (AML) compliance regulations, severing ties with Yemeni banks to avoid potential sanctions violations and reputational risk. This could further limit Yemeni banks' ability to process international transactions. With limited access to FCBs and heightened compliance costs, the cost of financial transactions and trade financing could significantly increase for Yemeni banks. This could make importing essential commodities, like food and medicine, more difficult and expensive.

The full impact of the designation remains uncertain and hinges on several factors. It is not clear how the Houthis will react or adapt their operations. Varying interpretations and enforcement approaches by different countries and entities might significantly affect the impact on the Houthis and humanitarian access. The prospect of unintended consequences necessitates careful monitoring and continued diplomatic efforts. Yemeni banks should be provided with technical support to demonstrate robust AML compliance and mitigate exposure. Ensuring effective utilization of exemptions and continued dialogue with humanitarian actors is crucial to mitigate the designation's negative impacts.

Saudi Support Bolsters Yemeni Rial After Steep Depreciation

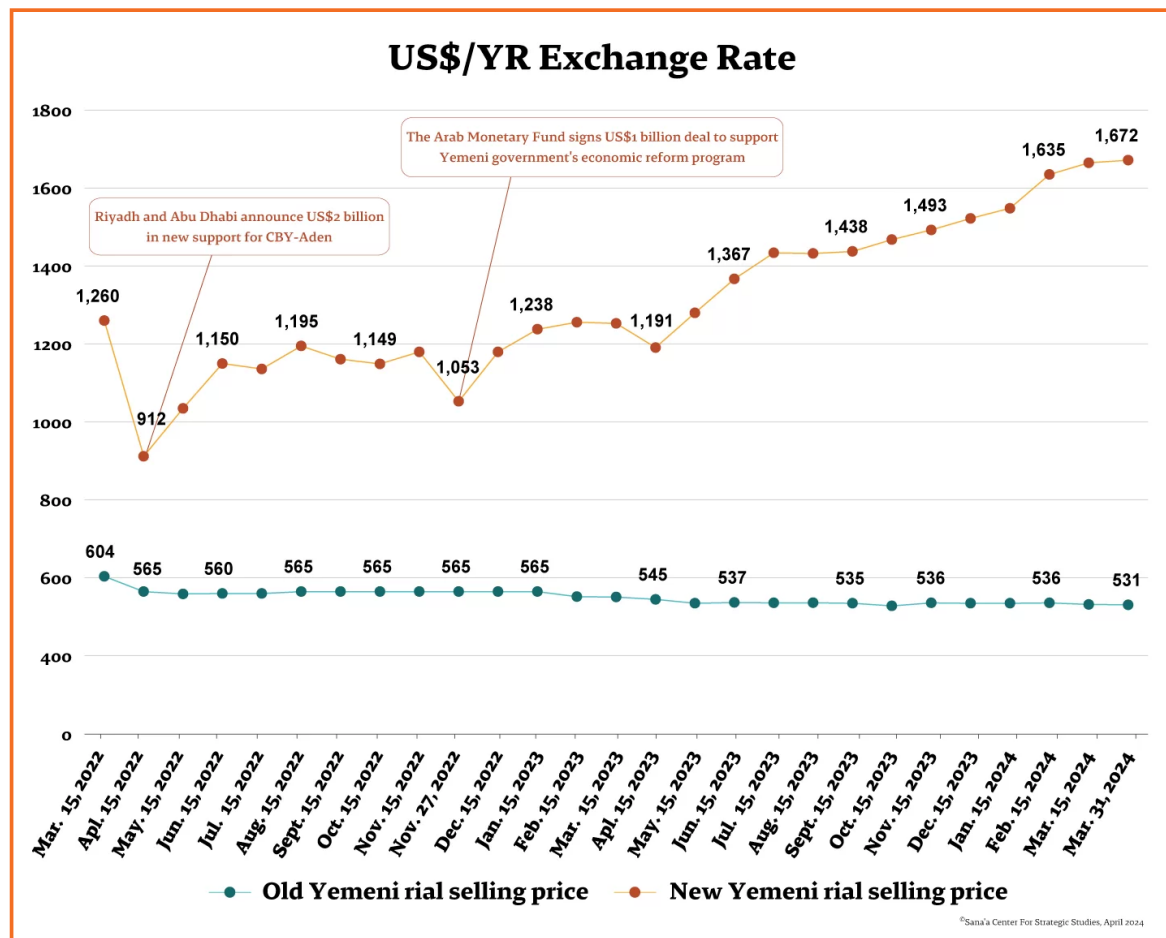
In February, Saudi Arabia delivered a second tranche of a US\$1.2 billion grant, amounting to US\$250 million. Its release comes more than six months after the first tranche of US\$267 million in August last year, aimed to prop up the Yemeni rial and support the government's budget. The new funds helped replenish the CBY-Aden's dwindling foreign currency reserves and allowed it to reintroduce regular FX auctions, intended to help finance the import of basic commodities, including foodstuffs.

Following the transfer, new rials initially appreciated by 2 percent, from YR1,665 to YR1,625 per US\$1 by mid-February. This ended a period of instability and devaluation caused by depleted government coffers. In January alone, new rials had lost over 5 percent of their value depreciating from YR1,543 to YR1,626 by month's end.

The Central Bank of Yemen in Aden (CBY-Aden) resumed foreign exchange (FX) auctions in late January. The first auctions attracted strong participation, with both the January 24 and February 15 auctions fully subscribed, with US\$40 million and US\$60 million on offer respectively. The initial appreciation of the rial proved temporary; the rial depreciated slightly over the second half of February, fluctuating between YR1,630 and YR1,685 per US\$1. This reflected ongoing uncertainty about the government's ability to address its widening fiscal deficit.

Despite some fluctuation, the rial entered a phase of relative stability in March, averaging around YR1,667 per US\$1 as the Saudi injection took effect. However, concerns persist. The government's heavy reliance on this singular source of support, coupled with its dwindling resources, threaten to rapidly deplete CBY-Aden's foreign exchange reserves. The stability achieved through Saudi support is temporary, and Riyadh has been slow to release funds. Without additional support, the rial could see a renewed freefall to potentially record lows.

Since the beginning of the year, the CBY-Aden has held five FX auctions, with Yemeni banks purchasing US\$178 million (78 percent) of the US\$230 million on offer. At this point, the future of the Yemeni rial again hangs in the balance. The stability achieved through Saudi support is temporary, and Riyadh has been slow to release funds. Without additional support, the rial could see a renewed freefall to potentially record lows.



New Rules for Sana'a Money Exchanges

On February 19, the Sana'a-based Yemeni Money Exchange Association **issued** new regulations for money exchange outlets and companies in Houthi-controlled areas, purportedly aiming to ensure the transparency of their operations. The new rules strictly prohibit disclosing local or foreign currency balances to commercial clients during business hours. Further, money transfers and payouts must now match the currency used – dollar transfers must be paid out in dollars, not converted to rials at an internal rate, eliminating confusion for clients. For US dollar transfers, the disbursement rate must adhere to the “blue dollar” market rate, which typically reflects the actual market value. The association also reminded outlets to have sufficient cash on hand in both Yemeni rials and foreign currencies to ensure they can promptly fulfill all money transfer requests.

The association stated that money exchangers are fully responsible for complying with these new regulations and failure to do so could lead to penalties or other consequences. It claimed that the new regulations aim to create a more stable, transparent, and client-friendly environment, and that by adhering to these rules, exchanges can protect their reputations and better serve their commercial clients.

CBY-Sana'a Issues Directives to Combat Fraud and Regulate Exchange Companies

The Central Bank of Yemen in Sana'a (CBY-Sana'a) **issued** two resolutions on February 29 aimed to combat financial fraud, enhance financial security, and establish new licensing and operational requirements for the money exchange sector in Houthi-held areas.

Resolution No. (2), “Combating Fraud in Financial Institutions,” outlines procedures for identifying, preventing, and reporting fraud. It also defines responsibilities for combating fraud and establishes anti-fraud policies and customer-agent protections. **Resolution No. (3)**, “Exchange Company Capital, Licensing, and Operations,” outlines the minimum capital requirements for money exchange outlets based on their classification. Operating companies licensed to provide money exchange services and operate a local money transfer network are required to maintain a minimum capital requirement of YR1.25 billion. Money exchange companies, which provide exchange services but are not permitted to operate a local money transfer network, have a minimum capital requirement of YR500 million. Money exchange shops have a YR10 million minimum capital requirement.

Regarding licensing and renewal fees, operating companies are required to pay YR5 million for their head office plus YR500,000 for every additional branch. Money exchange companies must pay YR2 million in fees for the main branch plus YR500,000 for each additional branch, while a money exchange shop is required to pay YR1 million. All companies are required to deposit a cash guarantee with the CBY-Sana'a to ensure compliance with regulations, with different amounts required for the different types of outlets.

Other notable articles of Resolution No. (3) include Article 4, which defines authorized activities for agents related to paying local transfers within the company's network; Article 5, which establishes regulations for exchange operations, interaction with the CBY, company duties, and penalties for non-compliance; and Article 19, which outlines other penalties, including the withdrawal of licenses if they grant loans, credit balances, or overdrafts to their owners, agents, or regular customers.

The resolutions became effective upon their publication in the Official Gazette. Within 30 days of the regulations becoming law, money exchange providers were prohibited from opening any new accounts for individuals or recording credit transactions into their accounts. A carve-out was included for operating companies and money exchange companies opening pooled accounts to settle transactions and balances for commercial companies that have a legal commercial record.

A liquidity crisis in Yemen's financial sector beginning in late 2016 triggered a massive migration of financial flows from the formal banking sector to the underregulated money exchange market. Ever since, companies providing exchange and money transfer services have opened accounts for individuals and granted loans and credit to their owners, agents, and customers, in violation of the law. The CBY-Sana'a previously sought to issue instructions preventing the opening of individual accounts, but these efforts failed. If the new resolutions are enforced, it will likely result in the closure of many exchange outlets and threaten the sector. Money exchange businesses have accumulated hundreds of billions Yemeni rials in their accounting systems and would likely be unable to repay balances to depositors, as the majority of money exchange and financial service providers have invested these funds in high-risk investment channels.

Ministry of Finance Issues Expenditure Control Measures

On February 20, the government-run Ministry of Finance took steps to ensure more responsible fiscal management through the issuance of [Ministerial Circular No. \(1\)](#) of 2024. The circular outlines the implementation of an expenditure control system for all departments, institutions, authorities, and executive offices under the central government's purview.

The circular builds upon Cabinet Resolution No. (3) of 2024, which established the framework for monitoring government spending and commitments. This renewed focus on financial control aims to introduce greater efficiency and transparency in state finances and ensure that government spending aligns with the fiscal budget and is directed toward established priorities. All government entities are now required to submit comprehensive plans outlining their anticipated expenditures for the entire fiscal year. These must be updated on a quarterly basis to reflect any adjustments or changes in spending needs. Any modifications to these budgets must be promptly reported to the Ministry of Finance, accompanied by an amended plan for the remaining fiscal year. The circular also addresses various technical aspects related to the implementation of the expenditure control system, providing further guidance to government entities on adhering to procedures.

The circular seeks to address Yemen's deepening fiscal crisis. Houthi drone attacks on oil export facilities in October and November 2023 eliminated the government's primary source of revenue. Since early 2023, the Houthis have pressured commercial importers to redirect shipments from the port of Aden to Hudaydah, depriving the government of vital customs revenue.

Controversy Erupts Over Investigation into Central Bank Governor

On February 20, President of the Supreme Judicial Council (SJC) [Mohsen Yahya Taleb](#) issued a [memorandum](#) accusing Central Bank Governor Ahmed Ghaleb al-Maaqabi of hindering financial support for judicial authorities. The action followed an extraordinary meeting of the council,

where they discussed obstacles in receiving allocated funds from the CBY-Aden, particularly those for the payment of salaries. The memorandum called for the governor to be referred to the Public Prosecutor for investigation and the imposition of a travel ban, granted on February 20. Al-Subaiha tribes, to which Al-Maaqabi belongs, moved to defend him, gathering outside his home in the Lahj town of Al-Khadra on February 23 and **issuing a statement** noting that all branches of government are suffering from delayed salary payments. By then the PLC had pressured the judges to **retract their complaint**, and the Office of the Attorney General confirmed the matter had been resolved.

The incident sparked significant controversy. Parliamentarian Ali Ashaal **expressed** concerns about the politicization of state institutions, urging authorities to address the issue. Legal experts **echoed** these concerns, highlighting the SJC's lack of legal authority in this situation. They emphasized that the SJC cannot investigate non-judicial individuals, restrict travel, or refer individuals to the Public Prosecutor unless the crime falls under the judiciary's jurisdiction. Taleb was only recently elected head of the judicial body and has close ties with PLC member Abdelrahman al-Maharrami. This has raised speculation that he is seeking favors for the Aden-based **Al-Qutaibi Islamic Microfinance Bank**, with which he is allegedly linked.

The CBY-Aden acts as the government's treasury and implements its budget. It collects and distributes funds as dictated in the budget, covering expenses like salaries and operational costs. By law, it can refuse spending requests if the state lacks sufficient resources. This right has been increasingly exercised in light of the government's ongoing fiscal crisis, raising questions about the governor's decisions to withhold funds.

Clash of the Central Banks Disrupts Remittance Flows

Yemen's already fragile financial system plunged deeper into crisis in February as the rival central banks, the CBY-Aden and CBY-Sana'a, locked horns in a battle for control of the remittance and money transfer sector. This sector is vital for millions of Yemenis who rely on money sent from abroad to survive the ongoing conflict.

The conflict erupted in mid-February when the CBY-Aden launched a new network, the Unified Network for Monetary Transfers (UNMONEY), aiming to boost transparency and control over financial flows. Through a **circular**, it mandated the use of UNMONEY by exchange companies in government-controlled areas, sparking controversy. The STC-affiliated Southern Money Changers Syndicate (SMCS), representing major exchange companies, **accused** the CBY-Aden of favoring Houthi interests and attempting to eliminate their resources.

The CBY-Sana'a retaliated in March, prohibiting all dealings with UNMONEY and imposing restrictions on remittance flows. On March 4, the Yemeni Money Exchange Association in Sana'a, acting under orders from the CBY-Sana'a, issued a **circular** prohibiting exchange houses and local money transfer networks from dealing with UNMONEY and banks not licensed by the CBY-Sana'a. It singled out in particular two companies, Al-Qutaibi Islamic Bank for Microfinance and Al-Busairi Bank for Microfinance, which both are headquartered in government-held areas and have emerged as major players in facilitating transfers inside Yemen. On March 13, the CBY-Sana'a issued a preemptive **three-page circular** to all banks and money exchange outlets prohibiting the receipt of remittances in anything but Saudi riyals, regardless of the original

currency (typically US dollars or Yemeni rials). The circular also prohibited the disbursement of remittances (via Western Union, MoneyGram, and the like) through any agent of money exchange companies and banks outside the areas under the group's control, or from branches not authorized by the CBY-Sana'a.

On March 19, the CBY-Aden responded in turn by blacklisting five Sana'a-based banks and their affiliated networks, further crippling transfers. The five banks were the Tadhamon Islamic Bank; the Yemen and Kuwait Bank; the Al-Amal Microfinance Bank; the Shamil Bank of Yemen and Bahrain; and the Al-Kuraimi Islamic Microfinance Bank. This was just the first in a series of punitive measures that continue to threaten the operations of the banking and money transfer systems.

This tit-for-tat escalation threatened to cripple the money transfer sector, disrupt remittance flows, and destabilize the Yemeni rial. A near-halt in transfers between government and Houthi-controlled areas was reported. Businesses faced difficulties with financial transactions, and citizens struggled to send money across the divided zones. The Houthi ban on dollar disbursements further worsened the situation, especially during Ramadan, when remittances typically rise. The Houthis, facing a severe liquidity crisis and reinstated US terrorist designation, have been tightening their grip on US dollars, including removing older bills from circulation and restricting newer ones. The ban on dollar transactions and their forced conversion to Saudi riyals is the latest chapter in a saga of financial warfare. In 2020, the Houthis wrought chaos by refusing to allow new Yemeni rials printed by the CBY-Aden to circulate in their areas and slapped massive fees (over 100 percent) on transfers from government-controlled areas.

In late March, a fragile truce was reached and de-escalation measures offered temporary relief. March 26, the Houthi-controlled CBY-Sana'a issued a new **circular** to reverse a ban on banks dealing with Al-Qutaibi and Al-Busairi exchange companies; in return, the CBY-Aden revoked its directive prohibiting transactions with the five Sana'a-based banks. The moves follow **mediation** efforts involving the Yemen Banks Association and banks affected by the recent measures; other media sources **reported** the involvement of unidentified international mediators.

However, this was a temporary reprieve. The underlying struggle for control of Yemen's financial system and the lack of trust between the rival authorities pose significant challenges to finding a lasting solution. The conflict highlights the complexities of Yemen's situation. The CBY-Aden seeks to regulate the money exchange market and stabilize the rial, while the Houthis see any such actions as a threat to their control.

Sana'a Introduces New Currency in Central Bank Face-off

On March 31, the Houthi-controlled CBY-Sana'a made a controversial decision to **introduce** a new metal coin to replace deteriorating 100 rial banknotes. The governor of the CBY-Sana'a **claimed** the move was simply intended to replace damaged banknotes and would not affect exchange rates. While he claimed the bank was operating with transparency and a commitment to stabilizing the economy, key details, including the number of replaced banknotes, remain unclear. The lack of information regarding the quantity of coins and their potential impact on existing liquidity raises concerns about inflation.

The internationally recognized government and the CBY-Aden have vehemently opposed the move. The CBY-Aden **branded** the coin "illegitimate" and "counterfeit" and has prohibited its circulation. It warned financial institutions and citizens against using the coins, arguing they would further disrupt trade, complicate inter-region transactions, and destabilize the existing

exchange system. These accusations highlight the deepening rift between the two monetary institutions and raise serious concerns about the future of the Yemeni rial and the banking system.

The Houthi coin issuance, while purportedly only intended to replace a small percentage of damaged notes, carries a hidden threat. It could be the first step towards printing more such “replacement” currency at higher denominations, ultimately flooding the market with new money and eroding confidence in the rial. Uncontrolled expansion of the monetary base coupled with Houthi war financing could trigger hyperinflation in Houthi-controlled areas, further destabilizing the already fragile economy. The CBY-Aden’s own reckless resort to printing excessive amounts of new Yemeni rial banknotes to fund operations earlier in the war backfired spectacularly. The massive monetary expansion caused the currency to plummet in value, fueling a surge in food prices and ultimately destabilizing the economy. The Houthis’ ban on newly printed currency in January 2020 effectively created two monetary zones with distinct exchange rates. This ongoing monetary division significantly hinders the central banks’ ability to manage monetary policy and throws a wrench into any future plans for their reunification.

Central Bank in Aden Demands Banks Relocate

The CBY-Aden escalated the conflict further with its own **resolution** on April 2, demanding all Yemeni banks relocate their headquarters to Aden within 60 days. This move, ostensibly designed to maintain control over the banking sector and shield it from “illegal measures by Houthis,” who have been recast by the US as a Specially Designated Terror Group (SDGT), threatens to cripple the already struggling financial system. A stern warning accompanied the resolution: any bank failing to relocate within the designated timeframe will face legal repercussions under the Anti-Money Laundering and Terrorism Financing Law and its associated regulations. Failure to comply could result in punitive measures, including potential exclusion from the SWIFT network and international money transfer services like Western Union and MoneyGram. This would cripple the banking sector’s capacity for essential international financial transactions. The CBY-Aden may even threaten non-compliant banks with license revocation. The Houthis are almost certain to retaliate, potentially banning the relocation and implementing their own punitive measures against banks that choose to comply. Tit-for-tat measures could paralyze the banking sector, disrupting essential financial services like cross-border remittances and global trade financing.

In August 2021, the CBY-Aden published a statement on its official website stating that all commercial and Islamic banks licensed to operate in the country must expedite the relocation of their operation management centers to Aden, so it could carry out verification procedures and direct field inspections of their operations and ensure their commitment to fulfilling legal requirements. While this statement included threats of legal action against banks refusing to share operations data with the CBY-Aden, there were no penalties for banks failing to relocate.

The new demand is more serious. It comes in the form of a resolution, which from a legal perspective is much stronger, and includes threats of legal action against non-compliant banks. The circumstances are also different. The directive is in retaliation to the Houthis’ new coinage and their attempt to disrupt the CBY-Aden’s Unified Money Transfer Network. It also comes as the internationally recognized government is being suffocated financially after being deprived of its largest revenue source with the suspension of oil and gas exports. The CBY-Aden has cited military developments in the Red Sea and the Houthis’ recent redesignation as a terrorist group as justification for demanding relocation, saying it will protect banks from risking being associated with anti-money laundering and anti-terrorism financing measures.

Competition between Yemen's divided central banks poses a grave threat to the nation's already fragile economic stability. Without a unified monetary policy and a functioning banking system, the Yemeni people will continue to suffer the consequences of a deepening financial divide. Unless a peaceful resolution is reached, Yemen's economy could face complete collapse. Urgent international intervention is crucial to de-escalate the situation and find a sustainable solution that prioritizes the well-being of the Yemeni people.

CBY-Aden Begins Transition to New Financial Transfer System

On March 7, the head of the government-run CBY-Aden, Ahmed Ghaleb al-Maaqabi, announced the launch of the first phase of a national system for financial transfers. The system will initially connect seven banks, with plans to expand and integrate all Yemeni banks in the coming months.

Al-Maaqabi emphasized that the switch to the new system aligns with the bank's strategic plan to foster a comprehensive and advanced digital economy. The initiative aims to develop a robust payment infrastructure that empowers both the government and private sector to leverage financial technology for efficient and secure digital payments. If implemented, the system offers several potential benefits. All participating banks will be connected to a single hub, streamlining communication and data exchange. The system also promises to significantly expedite financial transfers, enhancing overall transaction speeds. Citizens will be able to withdraw cash from any ATM within the network, regardless of the issuing bank. It will also seamlessly integrate with Point-of-Sale (POS) terminals, facilitating faster in-store payments; electronic wallets will eventually be linked to the system as well.

But the launch of the system faces significant hurdles due to the ongoing political and economic divisions within the country. This fragmentation creates a lack of centralized authority, making it difficult to convince banks, a majority of which are headquartered in Sana'a, to participate in a system overseen solely by the CBY-Aden. The CBY-Sana'a could also pursue punitive measures to threaten banks and prevent their integration into the system. If not all banks participate, the system's reach and effectiveness will be limited.

Building and maintaining the existing, outdated banking infrastructure already requires significant resources, access to which is increasingly scarce. Ultimately, a political solution to end the conflict and unify the administration of CBY will be necessary for creating a fully unified national financial system.

Fuel and Power Developments

Petromasila Resumes Gas Production in Sector 10, Boosting Electricity Supply

On February 11, the state-owned Petromasila Company **announced** the successful resumption of associated gas production and operations in Sector 10 in Hadramawt, following a comprehensive maintenance program for its gas processing and compression facilities. The program, carried out over the course of nearly a year, aimed to enhance efficiency and ensure sustainable production. The company said the maintenance was carried out in record time and involved 367 workers, including technical crews, supervisors and engineers, and contract workers.

Its successful completion allowed for the gradual restoration of associated gas production. The resumption of the supply has bolstered capacity at the gas-fired Wadi Hadramawt and Electricity Corporation power station by 75 megawatts, improving the supply of electricity to the region.

Aden Seeks Stable Fuel Supply with New Tenders Committee

On February 18, recently-appointed Prime Minister Ahmed Awadh bin Mubarak established a new Fuel Tenders Committee tasked with securing a stable fuel supply for power stations under [ministerial decision](#) No. 20 of 2024. The move comes in response to ongoing power outages that have plagued the interim capital of Aden. A prior tenders committee, frustrated by supply issues and alleged government inaction, resigned last June. It blamed the limited fuel supplies approved by the former prime minister and irregular payments from the Ministry of Finance and Central Bank, leading to depleted fuel stocks and crippling blackouts. Headed by the Ministry of Finance and comprising members of relevant ministries and authorities, the new committee is tasked with collaborating with these government bodies to determine the quantities of fuel required and to follow procedures outlined in the Yemeni Tenders Law to ensure fair and open tender processes.

Aden has grappled with frequent and prolonged power outages, impacting residents and businesses. Last summer, residents received as few as four hours of electricity per day due to a critical fuel shortage following the expiration of a Saudi fuel grant in April 2023. The Yemeni government spends heavily on fuel derivatives, yet struggles to collect electricity bills, leading to large debts. The recent release of the second tranche of a Saudi grant, worth 1 billion Saudi Riyals (nearly US\$250 million), could provide temporary relief for fuel purchases and power station operation. While challenges persist, the new committee may offer a path to a more stable power supply. Success hinges on renewed foreign support, efficient execution, transparency, and addressing the underlying issues of fuel affordability and debt collection.

Emirati Fuel Arrives in Aden

On March 9, the tanker PS DREAM [docked](#) at the port of Aden, delivering approximately 42,000 tons of diesel fuel. This marked the third installment of a fuel grant provided by the UAE to enhance power generation capacity in Aden and other governorates under the control of the government during the holy month of Ramadan. In total, the Emirati grant comprises roughly 125,000 tons of diesel and 106,000 tons of fuel oil.

The UAE's fuel grant arrives at a crucial time, aiming to improve electricity availability during Ramadan. Electricity demand typically surges during Ramadan due to longer nights and increased use of appliances for cooking and religious observances.

Power Cut in Marib after Plant Malfunction

Residents of Marib [awoke](#) to a frustrating blackout on March 18, after the gas-fired power plant in the city was abruptly taken offline for repair. The station, a vital piece of the region's power grid, suffered a technical malfunction due to increased load. To prevent a catastrophic failure, emergency maintenance became necessary. The outage lasted roughly 10 hours, affecting approximately 2 million people.

The blackout underscores the precarious state of Marib's electricity infrastructure. Before the war, the gas station supplied power to a vast swathe of governorates. However, the station's operations were abruptly halted in March 2015 with the start of the conflict. It was shuttered for five years before resuming partial operations in May 2020, but full capacity remains elusive. Initial operations provided 55 megawatts of power, followed by a boost to 126 megawatts, though the plant's full potential is some 340 megawatts. The current output is enough to meet the city's needs, according to government pronouncements, but its reach is limited to Marib.

Other Economic Developments

Houthis Pay Public Sector Employees Half-Month's Salary

The Sana'a-based Ministry of Finance issued orders for the Houthi-controlled CBY-Sana'a to pay public servants a half month's salary, covering the second half of September 2018. The payment, which is currently being disbursed, coincides with Ramadan and is the first to civil servants working in Houthi-held areas since the beginning of the year. The last payment was made in September of last year, covering the first half of September 2018. Public servants in Houthi-controlled regions are now owed over five years of back pay.

Houthis Announce Mandatory Zakat

The Houthi-run Ministry of Civil Service and Zakat Authority in Sana'a issued a joint [circular](#) on March 16, setting the mandatory donation of almsgiving. This year's mandatory charity donation is set at YR550 per person. The circular directs government entities in areas under Houthi control to deduct this amount from the next half-salary payment that is being disbursed to public servants, which will cover the first half of October 2018, before Eid al-Fitr. The fees are to be transferred directly to the Zakat Authority's account.

Efforts to Reduce Marine Insurance Costs Stall

The internationally recognized government's plan to lower marine insurance costs for ships entering its ports has run into trouble. Despite efforts to negotiate with international insurers, the government currently lacks the funds to proceed. The memorandum of understanding (MoU) that the government [inked](#) with the UNDP in August of last year requires a US\$50 million deposit from Yemen, which remains unfulfilled.

In late December, the chairman of the Gulf of Aden Ports Corporation [reported](#) that shipping costs to government-controlled seaports had skyrocketed, with insurance fees spiking 200 percent due to the Houthi attacks on international shipping in the Red Sea and Bab al-Mandab Strait. The chairman emphasized that the war has inflicted heavy burdens on Yemen's economy, with the private sector incurring US\$400-500 million in insurance costs to incentivize ships to call at Yemeni ports. This alarming increase threatens vital trade, inflates prices for consumers, and adds to the burdens faced by the war-torn country. Maritime insecurity has forced a dramatic shift in trade, with 50-60 percent now bypassing the region for the safer but longer route around the Cape of Good Hope. Minister of Transport Abdelsalam Humaid [acknowledged](#) challenges, including recent regional developments and the Ukraine war, at a workshop organized by the Economic Association Foundation. Participants made a series of recommendations focused on upgrading infrastructure at the port of Aden, establishing a logistical area, and developing a national maritime security strategy.

The US has expressed concern over the economic consequences of the Houthis' actions in the Red Sea, highlighting potential disruption to global trade and humanitarian consequences for Yemen. The current situation underscores the need to address financial limitations and broader security concerns to ensure safe and affordable maritime trade, vital for Yemen's economy. In August of last year, Humaid [reported](#) a staggering 16-fold increase in insurance costs since the conflict began, which has led to trade diversions to regional ports like Jeddah and Salalah. In 2021, the UNDP estimated that insurance premiums exceeded US\$200 million annually, raising transport costs and impacting Yemeni consumers through higher food prices, further exacerbating the already dire humanitarian situation.

While further initiatives are underway, overcoming obstacles like the unfulfilled MoU and addressing the root causes of the conflict are crucial for sustainable solutions and ensuring affordable access to essential goods.

Millions in Yemen Face Worsening Food Insecurity, UN Warns

A UN [report](#) published by the Food and Agriculture Organization (FAO) painted a grim picture of Yemen's food security, warning that over 4.5 million people (45 percent) in government-controlled areas faced severe food insecurity (IPC Phase 3) between October 2023 and February 2024, a 12 percent increase from earlier forecasts. Over 1.3 million are in an emergency state (IPC Phase 4). This alarming rise is attributed to the worsening economic crisis, ongoing local conflict, reduced and irregular aid, and the devastation of Cyclone Tej. Other factors, including limited institutional capacity, weak infrastructure, and service gaps, further hinder humanitarian efforts and economic stability.

Aden Strike Intensifies as Southern Workforce Demands Action

Since early February, public services in Aden have been disrupted by a growing labor strike organized by the General Union of Southern Workers' Syndicates (GUSWS) and the General Federation of Southern Workforce Unions (GFSWU).

The strike was initially [launched](#) on February 3 to protest unpaid salaries and dues. Following a consultative meeting on February 11, unions extended the strike and expanded its duration by two hours daily. The GUSWS blames the government's failure to fulfill its financial obligations, citing hardships faced by employees struggling with rising living costs due to "catastrophic inflation" and "severe depreciation of the Yemeni rial," which hit a record low of over YR1,660 per US\$1.

Beyond immediate salary payments, the unions are demanding broader economic reforms. Participants called for legal action against the government for its failure to uphold its commitment to monthly salary payments, and a restructuring of salaries and wages to reflect the harsh economic realities.

The strike has significantly disrupted operations in government institutions, impacting essential services such as health, education, and electricity. This widespread disruption underscores the critical role these workers play in the functioning of Aden. The strike's escalation reflects growing discontent among state employees, putting further pressure on the government to address grievances and find solutions to wider economic challenges in the areas under its control.

Saudi Arabia's transfer of US\$250 million to the CBY-Aden will likely help. The money is intended to support the payment of public sector salaries, operating expenses, and food security, part of a US\$1.2 billion grant announced in August 2023. Economic and social turmoil have eroded public trust in the government, but the aid could strengthen its position and head off further unrest. The recent appointment of Prime Minister Ahmed Awadh bin Mubarak also carries hope for improved stability and progress on pressing issues.

Adding to the pressure, the General Federation of Southern Workforce Unions (GFSWU) [announced](#) a separate, comprehensive strike on March 3. This action follows a protest held in front of Ma'ashiq Palace on February 26 and signals a potential escalation of labor unrest across Aden and neighboring governorates. The strike is likely to disrupt essential services in government-controlled areas, including schools and government offices.

The GFSWU cited deteriorating living conditions, poor working conditions, and eroded salaries due to inflation as key reasons for the strike. They criticized the government for failing to fulfill previous commitments, including timely salary payments, bonuses, and implementing court rulings on public sector wages.

The GFSWU outlined eleven demands, including: immediate and regular salary payments at the end of each month; implementation of previous government decisions regarding salaries and benefits, including retroactive adjustments; a salary increase of YR100,000 and provision of health insurance for all public sector employees and workers; the resolution of issues faced by retirees; restarting operations at Aden's refineries and restoring vessel traffic services in the port of Aden; and the repeal of Law No. 6 of 1995, which grants immunity to senior government officials, hindering efforts to hold corrupt individuals accountable.

The government has yet to publicly respond to the strike or the union's demands, facing challenges due to limited resources and a fragmented governing structure. Notably, the Council of Trade Union Committees of the Aden Refineries Company announced it would not participate in the strike, urging its members to give the new prime minister a chance to address the crisis.

Yemen Faces Shortages of Essential Goods Amidst Red Sea Tensions

Minister of Trade and Industry Mohammed al-Ashwal recently **sounded** the alarm regarding the depletion of the country's strategic stockpile of essential goods, including food and medical supplies. The minister attributed the decline to Houthi attacks on commercial vessels and the resulting disruption to maritime trade. The minister said Yemen's current stockpile of essential goods, previously 3-5 months worth, is now depleting at an alarming rate. The situation threatens the daily lives of ordinary citizens who rely on these supplies. The minister also expressed concern about reduced support from international organizations, which have shifted their focus to other crises. The reduction in international aid underscores the complex global humanitarian landscape, where competing crises vie for limited resources.

Al-Ashwal also highlighted the growing importance of fishing, which now accounts for roughly 60 percent of exports in the wake of the Houthi attacks that crippled Yemen's oil industry. He emphasized the potential environmental and economic consequences of an attack on an oil tanker in the Red Sea, which would pose a significant threat to the country's fisheries and further hinder global trade.

The continued targeting of commercial vessels in the Red Sea, including those carrying essential goods, carries huge risks for the people of Yemen, who remain reliant on international aid.

Al-Makha Airport Poised for Takeoff

Al-Makha Airport has reportedly achieved operational readiness for commercial flights, both domestic and international, **according to the airport director**. This follows an inspection by a Civil Aviation Authority team, whose report was submitted to the Ministry of Transport for approval. The airport's management now awaits the ministry's final sign-off to officially reopen for air traffic.

Plans suggest flights will initially prioritize domestic connections, linking Al-Makha with Aden, Mukalla, Seyoun, and the Socotra archipelago. This could significantly improve travel options within Yemen, which have been hampered by the ongoing conflict. Following the establishment of domestic routes, the airport could expand to serve international destinations.



The Red Sea Coast in the Taef area of Al-Durayhimi district in Hudaydah governorate on August 24, 2021 // Sana'a Center photo by Anwar Al-Shareef

The Environment

Red Sea Conflict Threatens Environmental Catastrophe

The fallout from the conflict in the Red Sea extends to its vibrant ecosystem and the communities it supports. On March 2, The *Rubymar*, a British-owned commercial vessel, sank after being struck by a Houthi missile in a February 18 attack. The *Rubymar* is the first ship to be sunk since the Houthis began targeting Red Sea trade last fall. The ship was adrift for 12 days, leaving an oil slick some 18 miles long, and it has been **posited** that its dragging anchor was the source of reported damage to undersea telecommunications cables. The wreck now lies 16 nautical miles off the Yemeni coast at a depth of around **330 feet**, and could pose a **threat** to other ships transiting the Red Sea.

But attention has now turned to the ship's cargo: the *Rubymar* **reportedly** carried 21,000 tons of ammonium phosphate sulfate fertilizer. Currently, there is no precise assessment of the vessel's condition. Government-affiliated Minister of Water and Environment Tawfeeq al-Sharjabi **confirmed** that a specialized technical team visited the *Rubymar* before it sank, but further inspections were reportedly halted after **airstrikes** targeted a fishing boat near the stranded vessel, resulting in casualties, missing fishermen, and damage to the ship. **United Nations Special Envoy for Yemen** Hans Grundberg expressed deep concern over the incident and announced that five UN experts will be dispatched to assess the environmental impact.

Scientists **fear** that the release of large amounts of fertilizer in the shallow coastal waters could trigger a massive algae bloom, which would absorb much of the available subsurface oxygen and block out sunlight. The result could be catastrophic to the marine ecosystem, particularly the area's coral reefs, and to accompanying fisheries. The Ministry of Water and Environment has **established** a crisis unit and called upon the regional and international community to take immediate action to prevent or mitigate an environmental catastrophe, but such efforts are likely to be limited by the security situation and dependent on Houthi approval.

At present, action is limited to a monitoring operation. UN experts have **confirmed** that salvaging the sunken vessel raises a number of challenges and they intend to procure an electronic submarine to obtain more information on the situation. On March 24, a joint team from the Yemen's Maritime Affairs Authority and the Environmental Protection Authority **conducted an inspection visit** to the wreck to collect water samples from various points around the vessel to examine the extent of any fertilizer or fuel leakage.

Apart from the direct risk that the fighting in the Red Sea carries for coastal communities, the renewed threat of ecological catastrophe is a cruel twist for those who rely on the sea for their livelihoods. Last year, the UN successfully managed to offload more than a million barrels of oil from the decrepit tanker *FSO Safer* onto a replacement ship, the Yemen, after years of Houthi intransigence. But the conflict now imperils that ship, and the decommissioning of the *FSO Safer* remains incomplete, as the second phase of the operation involving its cleaning and dismantling has yet to be carried out. Each new attack on transiting vessels, including oil tankers, brings the prospect of environmental degradation and economic disaster.

The fishing industry has been badly affected by the conflict in Yemen, even as it takes on greater relative importance as a source of income. With the government unable to export its oil and gas, fishing now **reportedly** represents some 60 percent of exports, even as pre-war production has decreased by **half**. The recent militarization of the Red Sea has worsened matters, displacing thousands of fishermen, particularly from **Hudaydah**, and imperiling the lives of those who remain.



Young Yemenis attend a rally in solidarity with Palestinians and against the Israel military assault on Gaza in Al-Ma'ars Square in Al-Zahra district in Hudaydah governorate on March 1, 2024

Commentary

Childhood Lost: No Respite in the Recruitment of Yemen's Child Soldiers

Saqr Al-Sunaidi

Although short-lived, Yemen's truce, brokered in April 2022, led to a period of relative calm. Many hoped that the thousands of child soldiers recruited by the different warring parties — reportedly **2,233** in the period from July 1, 2021, to December 31, 2022, alone would leave combat and return to finish their education.

Sadly, this has not been the case. A 2021 UN report, *Education Disrupted*, noted that former child soldiers were not returning to schools, partly because they lacked the support to do so. It noted “growing concern that if out-of-school children or those who have dropped out recently are not properly supported, they **may never return to school.**” This underlies the alarming, long-term effect of the recruitment of child soldiers on Yemeni society – robbing an entire generation of a future.

Recent reports suggest that the Houthi group (*Ansar Allah*) has been using the conflict in Gaza as a **new opportunity to recruit** children to its armed forces. It is essential to address this harmful practice. Although children in Yemen have been recruited **by all warring factions**, reports from local and international organizations indicate the recruitment of **over ten thousand children by the Houthis as of 2021**.

No Slow Down in Recruitment

In Houthi-controlled territories, the 2022 truce was used as an opportunity to mobilize recruits, including children, often by force. Houthi officials have reportedly conducted field visits and recruitment campaigns, drumming up support for a new stage of the war. In late September 2023, a leading Houthi figure spoke to students at a school in Amran governorate, 50 kilometers north of Sana'a. In a widely circulated **video posted on social media**, the Houthi recruiter said he was searching for students who condemned supporters of the 1962 Yemeni Revolution and who were interested in protecting and guarding the country's values and rectifying the loss of society's moral compass. Many Yemenis celebrated the revolution's anniversary as a show of defiance of Houthi rule, leading to a **security crackdown**.

The Recruitment Process

Different parties to the conflict have employed various methods to recruit children to the battlefield. The Houthis have well-established tactics, honed through almost 10 years of war, and stretching back even further to the group's emergence from Zaidi revivalism and the "**Believing Youth**" organization in Sa'ada in the 1990s. These indoctrination methods were strengthened further and became more widespread after the group took control of Sana'a in 2014. According to the Moyyun Organization for Human Rights and Development, Houthi **methods for recruiting children** include exploiting poor living and economic conditions; indoctrination, often using hate speech; broadcasts on official and community-run social media platforms; control of educational and religious institutions; and summer camps, in addition to disinformation, abduction, and pressure on tribal leaders, sheikhs, and prominent social figures. These figures are often directly responsible for recruiting young fighters, using their purview over aid deliveries as an incentive for enlistment.

There are other, more subversive methods that are very effective. The Houthis often rename child soldiers using the Arab tradition of *kunyas*, where men are referred to not by their names but as "father of [their first male heir]" (i.e. "Abu Mohammed"). This tradition of teknonyms has been used widely across the Middle East for noms de guerre, but in Yemen it is used by the Houthis to connote maturity, even adulthood, on young boys. This allows children to view themselves as adults, and prepares them to fully leave their childhood behind by creating a false dichotomy between the way they are treated by society and the respect conferred by the movement.

There have been many instances of this tactic being used. In one example, an **11-year-old was recruited by the Houthis and given the name "Abu Laith."** His father had no idea that he had died in battle until he saw his picture on a poster with his name written as "The Martyr Abu Laith." Many Yemeni parents completely lose track of their children after they are named in this way, and they are often not notified when they die on the battlefield.

In mid-2019, the International Labour Organization gathered local leaders in Sana'a to raise awareness of the dangers of recruiting child soldiers and its destructive impact on not just children but on communities at large. But international interventions have had little impact: Yemen witnessed one of the highest rates of child recruitment in the world in 2019.

Vulnerability of Child Recruits

The UN Office of the Special Representative of the Secretary-General for Children and Armed Conflict notes that every task given to a child employed in war is dangerous, and potentially fatal. Girls and boys are frequently used in support functions that entail great risk and hardship. Among the tasks commonly assigned to children is assisting ground troops, with children often asked to carry heavy ammunition or even injured soldiers. Children are also used as scouts, messengers, and cooks. Recruited girls are in an especially vulnerable position and risk being sexually abused.

In the case of the 11-year-old "Abu Laith", recruiters promised his father that he would only be assigned tasks suitable to his age. But as soon as he arrived at the frontlines he was pushed into battle. Without adequate training to even protect himself, his short life was added to the war's rising death toll.

Calls Fall on Deaf Ears

The outcry from human rights and child protection organizations regarding children's recruitment to armed groups has fallen on deaf ears, both in Yemen and the world at large. UNICEF's 2021 report warned of the obliteration of Yemen's future generation. "If challenges to the education system are not adequately addressed today, as well as in the mid to longer term, there is a very real possibility that the potential of an entire generation of children will be lost."

In April 2022, the UN, recognizing the danger of the Houthis' manipulation of education to recruit children, agreed on an action plan with Houthi authorities to end and prevent the recruitment of children, the killing and maiming of children, and attacks against schools and hospitals. However, this appears to have made little difference in Yemen, and Houthi recruitment of underage soldiers has continued apace.

Last May, SAM, a Yemeni human rights organization, called on the internationally recognized government to issue legislation that prescribes harsher punishment for those involved in recruiting children and using them in hostilities, and to open rehabilitation centers for recruited children before they are returned to their families and reintegrated into society. The organization also recommended that the government "ratify the Rome Statute of the International Criminal Court to hold accountable those involved in child recruitment crimes." The lack of movement on these policies demonstrates insufficient political will to bring about change.

An Entrenched Culture of Child Soldiers

Although the belligerent parties have unquestionably forced many children into the ranks, the origins of the problem may predate the war. Tribal conflicts and internal wars were often fueled by young fighters, and many families still push their sons into combat over cyclical blood feuds. A survivor known to the author recounted the ordeal of a tribal conflict that lasted for over

ten years in the Al-Udain district in Ibb governorate. He described how combat destroyed his childhood and robbed him of friends who died at his side in battle. His involvement in his tribe's feud forced him to drop out of school and pick up a gun, pointing it at other children who also grew up on battlefields and had their childhoods lost to war. He is one of a generation that lacked the support to return to school and reintegrate into society, leaving them with few skills but combat experience.

Any solution to the issue of children in Yemen must include the country's tribes. Local communities must become an important countermeasure to the recruitment of child soldiers. But without support from community members to prioritize education over battle, children are defenseless against being drawn into the violence around them.

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This commentary was produced as part of the Yemen Peace Forum, a Sana'a Center initiative that seeks to empower the next generation of Yemeni youth and civil society activists to engage in critical national issues.



Wasfia University in Wadi Hadramawt, situated between Seyoun city and the historic town of Tarim, on January 26, 2023 // Photo by Awfa Alnaami

Commentary

Saudi Arabia's Eastward Turn: Shifting Relations with Yemeni Tribes

Adel Dashela

Saudi Arabia's relationship with Yemeni tribes has undergone many changes over recent decades, focused mainly on cultivating direct ties with Yemeni tribal sheikhs. With a shared 1,800 km-long border, the Kingdom has closely monitored developments inside Yemen, placing significant importance on its relationship with tribal leaders as a means of “influenc[ing] internal political decision-making in Yemen in line with its interests.”¹ Such ties, however, are neither fixed nor homogeneous and have evolved based on the mutual interests of both parties.

Saudi Arabia's involvement in successive Yemen conflicts, particularly since 2004, has increased the complexity of these dynamics. The relationship is also an unequal one; Saudi Arabia is an affluent country – the world's top oil exporter and a member of the G20. By contrast, Yemen is the poorest country in the Middle East and has a history of political and military conflicts, which, coupled with scarce resources, have made it economically vulnerable. This has long given Saudi Arabia sway over Yemen's tribes, sometimes at the expense of the central government.

1 Ziyad Al-Kourani, *A Geostategic Vision of the Future of Regional Conflicts in a Region of Conflicting Strategies*, (Amman: Dar al-Majd, 2018), p. 75.

Under King Abdullah, Riyadh's strategy in Yemen focused on building stronger formal relations with the Yemeni government, aimed primarily at combating terrorism. This policy change gradually undermined direct dealings with tribal sheikhs. With King Salman's rise to power, however, and after the Saudi-led intervention against the Houthi group (*Ansar Allah*) began in March 2015, engagement between Saudi Arabia and Yemeni tribal sheikhs has resurfaced – albeit with a difference. The conflict has led Riyadh to shift its longstanding focus on cultivating ties with sheikhs from northern tribal regions toward the eastern regions of Marib, Al-Jawf, Shabwa, Al-Mahra, and Hadramawt. In light of the above, and considering the ongoing competition between Saudi Arabia and the UAE over influence in Hadramawt – Yemen's largest governorate – this analysis seeks to examine the reasons behind Saudi Arabia's efforts to engage with eastern tribes in Yemen.

Waxing and Waning Saudi Influence

Throughout much of Yemen's modern political history, Saudi Arabia has focused on establishing influence among the tribes in the northern regions of Yemen given their involvement in political affairs and proximity to the center of power in Sana'a. This policy was mainly carried out by Prince Sultan bin Abdulaziz, who first worked on strengthening the relationship with northern tribal sheikhs following a famous meeting with Sheikh Abdullah al-Ahmar, head of the Hashid tribal confederation, in Jeddah in 1970.^[2] The Hashid tribe's large presence in areas around Sana'a, and their backing of republicans during Yemen's 1962 revolution, gave them unparalleled political privileges in the following decades.^[3] Sheikh Abdullah al-Ahmar represented the tribe's political wing, while Sheikh Mujahid Abu Shawarib led military efforts alongside republican forces against the Imamate (1962 -1968). Amran's Khamer district, also known as the "City of Peace," holds significant political importance as the capital of the Hashid tribe. The political influence of the Hashid tribe was further strengthened by a peace conference held there in 1965.^[4] Prince Sultan became known for holding direct meetings and cultivating personal relationships with tribal sheikhs, which helped bolster Saudi influence.

The accession of King Abdullah to the throne in early 2005 saw relations with tribes cool as direct relations between Riyadh and Sana'a improved. After the outbreak of military conflict between the Yemeni government and the Houthi movement in 2004, Saudi Arabia agreed to support the regime of Ali Abdullah Saleh militarily. Saudi Arabia's decision to deal with the government rather than the tribes was compounded by the Yemeni state's own efforts to militarize the tribes to confront the Houthis, rather than using its own army and security forces. The Yemeni state has often mobilized tribal fighters to support a weak army in local conflict, but the Sa'ada wars served to weaken the power of northern tribes.^[5]

After Prince Sultan's death in 2011, Saudi Arabia's relations with tribal sheikhs deteriorated further. Without him acting as a conduit to the tribes, Riyadh shifted toward forming short-term tactical alliances.^[6] However, after Saudi Arabia intervened in Yemen in March 2015 with the aim of restoring the internationally recognized government to power in Sana'a following the Houthi

2 Abdullah bin Hussein Al-Ahmar, *The Memoirs of Sheikh Abdullah bin Hussein Al Ahmar: Issues and Positions* (Sana'a: Afaq Publishing, 2008), p. 194.

3 Maysaa Shuja Al-Deen, "What Remains of the Hashid's Power? The Rise and Fall of Yemen's Most Powerful Tribe," *The Yemen Review*, Sana'a Center For Strategic Studies, September 14, 2023, <https://sanaacenter.org/the-yemen-review/august-2023/20837>

4 Adel Dashela, *The Houthi Movement and Yemeni Tribes* (2011-2020), (Istanbul: Arap Aile Kütüphanes, 2021), p. 104.

5 Adel Dashela, "Northern Yemeni Tribes during the Eras of Ali Abdullah Saleh and the Houthi Movement: A Comparative Study," *Sana'a Center for Strategic Studies*, 2022, <https://sanaacenter.org/publications/analysis/16670>

6 Neil Partrick, "Saudi Arabia's Yemen Gambit," *Sada*, October 1, 2015, <https://carnegieendowment.org/sada/61475>

takeover of the capital, Riyadh realized it was critical to restore its relationship with the tribes. But now the focus would be sheikhs from eastern Yemeni regions largely outside Houthi control.^[7]

There were a number of reasons for this. Saudi Arabia faced challenges in building relations with tribes in Houthi-controlled northern regions, as the defeat and destruction of tribal allies weakened their influence. Houthi control and restrictions on political activities also diminished the power of previously engaged tribal leaders. Many prominent tribal figures left their native areas after the Houthis bombed their homes; targets included, Sheikh Saghir bin Aziz, Sheikh Hussein al-Ahmar, and Sheikh Abdelwahhab Moawadah,^[8] who relocated abroad or to regions controlled by the internationally recognized government. Additionally, the Houthi group replaced many sheikhs with ideologically aligned young leaders who shared their view of Saudi Arabia as an opponent.

In early 2017, Mohammed bin Salman – then defense minister – brought several sheikhs to Riyadh in an effort to revamp Saudi relations with Yemeni tribes, and with the sheikhs of eastern tribes specifically. Reassuring them, he said, “We are always with you, every step, until the last day of our lives, as we have been in the past and will be in the future.”^[9] The eastern regions of Yemen are fertile ground for Saudi Arabia because many local tribes oppose the Houthis. Some of the tribes of the Madhaj and Bakeel tribal confederations in Al-Jawf and Marib established traditional tribal alliances, known as *matarih*, to mobilize military resistance against the Houthis in the early years of the conflict.^[10] They also issued a formal tribal document, the “Covenant and Charter,” demanding the Houthis leave their tribal lands. This alliance mobilized 12,000 fighters from the region to confront the Houthis.^[11] Marib in particular became a major destination for Yemenis who opposed the Houthis and who had to flee northern regions around Sana’a. It was in Saudi Arabia’s interest to strengthen tribal sheikhs and integrate them into the Saudi-led coalition’s efforts to keep the Houthis from expanding further into Al-Jawf, Shabwa, and eastern Marib.

Relations with tribes in these governorates, however, were not without complications. Some Hashemite classes, who like the Houthis claim descent from the Prophet Mohammed, have aligned with the group. Known as the *sayyid* or *ashraf*, these classes generally hold limited political significance in tribal politics. The complexities of tribal society in these regions, where vendettas are common, have made it difficult for Saudi Arabia to unify them under a single umbrella working toward achieving its interests.

Saudi Arabia’s tendency to abandon certain sheikhs does not help. Shabwa Governor Mohammed bin Adio, a tribal sheikh and member of the Islah party, was removed from his post in December 2022, in part because of his demand that Emirati forces depart the Balhaf LNG facility. Another prominent sheikh, Amin al-Ukaimi, fell out of favor with the Saudis after the Houthis began taking over the populated western districts of Al-Jawf in March 2020. He was later placed under house arrest in Saudi Arabia and removed as Al-Jawf Governor.^[12] Further east, Saudi Arabia

7 “The Silent Struggle for Influence: The Future of Saudi-UAE coalition in Yemen,” Abaad Studies and Research Center, September 22, 2019, <https://abaadstudies.org/news/topic/59819>

8 Adel Dashela, *The Houthi Movement and Yemens Tribe (2011-2020)*, (Istanbul: Arap Aile Kütüphanes, 2021), p. 92

9 Yasser Najdi, “Crown Prince in previous meeting with Yemeni tribes: We are with you until the last day of our lives [AR],” Sabaq, December 2, 2017; <https://cutt.ly/ZCFuAPs>

10 Ahmed al-Tars al-Arami, “Tribes and the State in Marib,” Sana’a Center for Strategic Studies, May 4, 2021, <https://sanaacenter.org/publications/analysis/13901>

11 “Tribe and Oil in Yemen’s War: The Battle of Marib,” Abaad Research Center, 2020, <https://abaadstudies.org/en/policy-analysis/topic/59855>

12 “Houthi Strikes Prompt Government Terrorism Designation, The Yemen Review – October 2022,” Sana’a Center for Strategic Studies, November 14, 2022, <https://sanaacenter.org/the-yemen-review/october-2022/19003>

has tried to cultivate ties with tribes in Al-Mahra governorate, on the border with Oman. The historically strong ties between Al-Mahra's tribes and Muscat, however, have prevented Riyadh from gaining much influence. Mahri tribes are essentially divided into three camps: one close to Oman, led by Sheikh Ali Al-Huraizi; a second close to Saudi Arabia, led by Al-Mahra Governor Mohammed Ali Yasser; and a third close to the UAE and the Southern Transitional Council (STC), led by Ragih Bakrit, an ex-governor and former Saudi ally. The open competition among regional actors in Al-Mahra makes it difficult for Saudi Arabia to impose itself as the chief patron of the governorate's tribes.^[13] However, it is in Hadramawt where regional competition to win over tribes can be witnessed most acutely.

Competition for Hadrami Tribal Loyalties

Tribes in Hadramawt have always played an important political and social role in Yemen. Before the formation of the independent state of South Yemen in 1967, Hadrami tribes formed the leadership of various sultanates, and they have played a prominent role in Yemen's modern political history through their support or opposition to ruling authorities.^[14] These tribes can be thought of as a network of social, economic, and political alliances tying smaller groups within larger confederations, with the overriding principle that an attack on one tribe is considered an attack on the whole. They have a presence throughout the vast governorate, as well as links with tribes to the north in Saudi Arabia, and in the neighboring Yemeni governorates of Al-Mahra and Shabwa.

Among the most influential Hadrami tribes is the Nahd, led by Sheikh Saleh bin Ali bin Thabet al-Nahdi, who also serves as hakam, or tribal arbiter, for all tribes in the governorate. The second most prominent tribal leader in the Nahd clan is Sheikh Abdullah bin Saleh bin Ujaj. The Al-Kathir tribe, which previously ruled a sultanate in the governorate, has a presence in the Hadramawt Valley extending into Al-Mahra. It is led by Sheikh Abdullah bin Saleh al-Kathiri, who also heads a body called the Arbitration of Hadramawt Tribes for the Hadramawt Valley and Desert. The Al-Hamoum tribe has a presence in Qusayar, Al-Shihr, Al-Masilah, and other districts, and is led by tribal sheikh Amr bin Habraish, who heads the Hadramawt Tribal Confederacy. The Bani Murrah is based in the Hadramawt Valley, led by Omar bin Muslim bin Halabi.^[15] Another clan, the Bani Dhanna, is part of the Tamim tribes that are spread throughout the Arabian Peninsula and is headed by Anwar bin Yamani al-Tamimi, deputy head of the Arbitration of Hadramawt Tribes for the Hadramawt Valley and Desert. Other influential tribes include the Al-Manaheel, Al-Awamer, Al-Say'ar, Dawaan, Bawazeer, Nawh, and Sayban.

Historically, the tribes of Hadramawt have maintained good relations with Saudi Arabia, largely due to a long tradition of trade and other economic interactions. Many Hadrami businessmen and their families live in Saudi cities such as Taif,^[16] and some have become prominent there, such as Salim Ahmed Ben Mahfouz and Abdullah Ahmed Baqshan, and Bamawada, Bakhshab, and Bin Laden families.^[17] Members of tribes based near the border with Saudi Arabia sometimes hold Saudi citizenship, while others have residence permits that they can use to enter the Kingdom.^[18]

13 Amer al-Dumaini, "Get to know the groups and figures at the forefront of the scene in Al-Mahra [AR]," Al-Mawqea Post, March 28, 2019; <https://almawqea.net/reports/39333>

14 Ahmad Baharithah, "The Political Role of Tribes in Hadramawt [AR]," Al-Madayin Post, <https://almdayinpost.com/7800.html>

15 Interview with a tribal figure from the Bani Murrah tribes in the Hadramawt Valley, July 2, 2023.

16 Mishal Al-Harithi, "Some Hadrami Families in Taif [AR]," Al-Jazirah, June 12, 2023, <https://www.al-jazirah.com/2023/20230612/rj1.htm>

17 Nabil Sultan and David Weir, *Hadhramis: The Great Entrepreneurial Leaders of Arabia*, Conference: EURAM: Rome, Italy, 2010, p 6. https://www.researchgate.net/publication/27731125_Hadhramis_The_Great_Entrepreneurial_Leaders_of_Arabia

18 Interview with a tribal figure in the Hadramawt Valley, July 1, 2023.

Saudi Arabia has sought to expand its network of relationships with tribal groups in Hadramawt for several reasons. First, it wants to compensate for the influence it has lost in northern Yemen at the expense of the Houthis. Second, Saudi investment in Hadrami tribes helps protect the large border it shares with the governorate. Third, the Kingdom is eager to amass influence in Hadramawt, which accounts for almost a third of Yemen's total land mass, as part of its rivalry with the UAE. Over the past year, Saudi Arabia has increased its political and financial support for Hadrami tribal figures to curb Emirati inroads in the governorate, manifested principally through the STC. Fourth, Saudi Arabia believes Hadramawt is promising ground for investment that can be integrated into its broader economic plans. This could even involve its long-standing ambition to extend Saudi oil pipelines through Yemen to the Arabian Sea, obviating the risks involved in exporting oil through the Strait of Hormuz, which can be threatened by Iran.^[69]

In recent years the UAE has succeeded in winning over prominent social figures and second-tier tribal leaders in Hadramawt as a means of bolstering its influence and that of its Yemeni ally, the STC, which seeks to re-establish an independent state in the former South Yemen. This includes Fadi Baoum, head of the Revolutionary Hirak in Hadramawt, another southern secessionist group, as well as figures from the Hadramawt Inclusive Conference, a political bloc formed in 2017 comprising representatives of Hadrami tribes, politicians, academics, religious leaders, and activists. Among the other tribal sheikhs aligned with the STC are Sheikh Hasan al-Jabiri, the leader of the Hadrami Uprising and the Hadramawt General Meeting, two bodies established by the STC; Ali al-Kathiri from the Al-Kathir tribe; and Ahmad bin Breik, a senior official in the STC. These actors receive direct support from both the UAE and the Emirati-backed Hadrami Elite forces, established in the coastal capital of Mukalla in 2016. One of the primary demands of the UAE and the STC in Hadramawt in recent years has been the removal of forces from the 1st Military Region based in Seyoun, the last remnants of the regular Yemeni army left in the former South Yemen. The STC has also co-opted Hadrami demands for autonomy as a means of gaining popular support for its argument, arguing that Hadramawt could be "a federal territory as part of STC's agenda and its vision for the desired state."^[70] This position has been a successful recruitment tool for the Hadrami Elite forces and for winning the loyalty of tribal leaders, who all favor the notion of Hadramis managing their own affairs.

Demonstrating the growing influence of its alliances in Hadramawt, the STC held the 6th session of its National Assembly in Mukalla in May, coinciding with the 29th anniversary of the southern call to split from the Republic of Yemen that sparked the 1994 civil war. During the event, the STC flexed its muscles with a show of UAE armored vehicles in the streets of Mukalla, to the alarm of some Hadrami tribal and societal figures.^[71] During an angry speech, assembly chairman Ahmad bin Breik went so far as to describe those opposed to the STC's project as "cockroaches."^[72] Faraj al-Bahsani, the former Hadramawt governor and Presidential Leadership Council member who had joined the STC leadership earlier that month, described the gathering as a "defining historical moment."^[73] Winning over Al-Bahsani was a major victory for the STC,

19 Yehya Abuzaid, "Has Riyadh Woken Up From Its Al-Mahra Pipe Dream?", Sana'a Center for Strategic Studies, December 19, 2021, <https://sanaacenter.org/publications/analysis/16042> Yehya Abuzaid, "Has Riyadh Woken Up From Its Al-Mahra Pipe Dream?", Sana'a Center for Strategic Studies, December 19, 2021, <https://sanaacenter.org/publications/analysis/16042>

20 Wadhah al-Awbali, "The Dilemma of Concluding Agreements in Yemen," South 24 Center for News and Studies, October 1, 2024, <https://south24.net/news/newse.php?mid=3553>

21 "The Formation of the Hadramawt National Council: Significance and Future Determinants [AR]," Midad Hadramawt Center for Strategic Studies and Research, July 2023, p. 5, <https://midad-had.org/post3/>

22 "Speech of Maj. Gen. Ahmad Saeed bin Buraik at the Closing Session of the 6th Session of the National Assembly," Aden Al-Mustaqilla TV, May 22, 2023, <https://tinyurl.com/mvzu4kxx>

23 "Southern Transitional Council Resurgent, The Yemen Review – May 2023," Sana'a Center for Strategic Studies, June 22, 2023, <https://sanaacenter.org/the-yemen-review/may-2023/20386>

though Saudi Arabia still has on its side major businessmen and political figures with strong tribal backgrounds, such as Abdullah Buqshan, Badr Basalamah, and Khaled Bahah, a former prime minister who was recently appointed ambassador to Egypt.

In an effort to counter growing Emirati influence and strengthen government authority, Saudi Arabia formed the Hadramawt National Council in June.^[24] Among the figures that signed on were Governor Mabkhout bin Madi, Deputy Parliament Speaker Muhsin Basurah, and head of arbitration for the Hadramawt Tribes Abdullah, Saleh al-Kathiri. However, in a sign of the complex patchwork of alliances in the governorate, Hadramawt Inclusive Council head Amr bin Habraish refused to join the new body,^[25] despite being involved in initial discussions. Bin Habraish now seeks to present the Hadramawt Inclusive Council as a more authentic reflection of Hadrami society and public opinion than the Hadramawt National Council, created according to Saudi needs as well as the interests of the Hadrami components participating in this council. In a sign of Saudi Arabia seeking to pair the political initiative with economic benefits, PLC head Rashad al-Alimi later announced a host of development projects in Hadramawt valued at US\$266 million during a visit to the governorate.^[26] Saudi Arabia has also sought to influence events at the military level through the Nation's Shield forces, which were formed in early 2023 with personnel mostly from southern governorates and the 1st Military District, a move seen as a partial response to Hadrami demands for greater local autonomy.

Conclusion

Saudi Arabia's renewed focus on the sheikhs of Hadramawt as a means of countering Emirati influence risks reinforcing societal division and political fragmentation. A more effective policy would involve building long-term relationships with Yemeni officials based on common interests of achieving security and stability, rather than appearing to pursue self-serving, short-term benefits. Yemenis, both ordinary citizens and tribal leaders, need to regain confidence in the political system, and the external backers of factions, such as Saudi Arabia, can assist in this crucial task by helping put back together what was destroyed by the war and by supporting communities' efforts to rebuild. Ephemeral reliance on tribal groupings will likely lead to more division and political fragmentation among the tribes themselves, which neither serves peace in Yemen nor help Saudi Arabia's security.

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24 "Yemen: Announcement of the Hadramawt National Council as a Political Carrier [AR]," Okaz, June 20, 2023, <https://www.okaz.com.sa/news/politics/2136595>

25 Nayef al-Qadassi, "Hadramawt 2023... Saudi Arabia is actively working to reclaim a historically influential area that lost to the UAE, [AR]," Al-Masdar Online, January 5, 2024, <https://almasdaronline.com/articles/288255>

26 Abdulhadi Habtur, "Yemen Inaugurates Saudi-funded Development Projects in Hadramout Worth Over \$266 Mln," Asharq Al-Awsat, June 26, 2023, <https://english.aawsat.com/gulf/4402021-yemen-inaugurates-saudi-funded-development-projects-hadramout-worth-over-266-mln>



The creek area of Mukalla city in Hadramawt on August 21, 2021 // Sana'a Center photo by Ahmed Waqqas

Commentary

Contract Teachers in Hadramawt: When the Solution Becomes A Problem

Warda Belswad

The vast size of Hadramawt governorate, nearly a third of Yemen's total area, presents a daunting task for the Yemeni government in providing public services and meeting the demands of scattered communities. With the onset of war, the practice of employing contract teachers — educators hired on a contractual basis rather than full time — has become widespread. The practice is aimed at mitigating the shortage of regular teaching staff in public schools and at sustaining the governorate's struggling educational system. This approach, however, was poorly conceived and has been marred by clear irregularities that need urgent remedy.

Community-based initiatives led by prominent Hadrami businessmen, such as Salem bin Mahfouz and Abdullah Bugshan,¹ have been instrumental in establishing schools in areas in

¹ WhatsApp Interview with full-time teacher in Mukalla, formerly a contract teacher with the Bugshan group, July 26, 2023.

need and employing teachers outside the formal educational system. For instance, in an effort to advance women's education in Wadi Hadramawt and attract female teachers, the Bugshan group recruited only female educators for a school they founded in 2016. Bugshan advocated for their integration as public employees, encouraging many contract teachers to flock from Coastal Hadramawt to the Wadi.^[2] Local non-profit organizations, such as Al-Awn Foundation for Development, have also supported the education sector in Wadi and Coastal Hadramawt, and have hired 310 contract teachers to date, in addition to supporting a charity school in Doan.^[3]

The over-reliance on contract teachers in Hadramawt started with the onset of war, which took a heavy toll on the education sector and government finances, resulting in mounting strikes by regular teachers demanding their salaries. This prompted local authorities to take on more temporary teachers to make up for the shortage of teaching staff in public schools. Compounding matters, many teachers are retiring – the city of Mukalla alone saw 88 retirements last year.^[4] The opening of several new schools, especially for girls, has made the shortage of teachers even more acutely felt. Hiring contract teachers thus became a catch-all solution for the increasing number of students and schools in Hadramawt,^[5] the halt of formal recruitment by the government, the influx of university graduates seeking employment, and the retirement of teachers.

A Flawed Recruitment Process

The contracting process has entailed both procedural and financial challenges. To start with, the qualifications for eligible contract teachers were unclear, and hirings included a large number of graduates from disciplines unrelated to education. The recruitment of unqualified teachers has inevitably led to a deterioration in the quality of education and a mismatch of teachers' specialties with subjects taught. A teacher with a degree in business administration can end up teaching mathematics, while a law professor teaches Arabic.

Financial constraints have further hindered the process. The government's inability to allocate funds to hire more full-time teachers prompted former governor of Hadramawt Ahmed bin Breik to establish a fund in support of the education sector in 2016. The fund was financed by fees imposed on products imported through the port of Mukalla.^[6] However, government agencies reportedly made it difficult to direct these tariffs to the fund, and accessing them required arduous follow-up and leveraging personal connections.^[7] In any case, the allocation was barely enough, at around one billion Yemeni rials (YR) (about US\$720,000).^[8]

2 WhatsApp Interview with Mohammed Abdullah Qafzan, head of the Contract Teachers Committee in Al-Shihr, January 26, 2023.

3 WhatsApp Interview with Abdullah bin Othman, Chairman of Al-Awn Foundation for Development, January 28, 2023.

4 WhatsApp interview with an official from the Office of the Ministry of Education in Hadramawt, July 26, 2023.

5 In Al-Khansaa Schools for Girls, located in the outskirts of Al-Shihr, there were 31 contract teachers compared to 13 permanent teachers. WhatsApp interview with Wafaa al-Ardhi, Principal of Al-Khansaa School for Girls, November 9, 2022.

6 Each large and small container of goods imported through the port of Mukalla was charged 10,000 and 5,000 Yemeni rials, respectively, while every liter of fuel imported through the port was charged 2 Yemeni rials. Interview with Mohammed Abdullah Qafzan, head of the Contract Teachers Committee in Al-Shihr, November 2, 2022.

7 WhatsApp interview with a former official at the Office of the Ministry of Education in Mukalla, July 25, 2023.

8 Ibid.

The Snowball Effect

The hiring of contract teachers has since snowballed. The number of contracted teachers has risen from tens, to hundreds, to thousands, with 11,000 reportedly hired in Coastal Hadramawt in one year alone.^[9] In Wadi Hadramawt there were, as of late 2022, 5,800 contract teachers,^[10] which has somewhat alleviated the shortage of teaching staff in local schools. Nonetheless, this approach has failed to resolve the challenges crippling the education sector.

Faced with such large numbers of contract teachers, and a lack of resources to consistently pay their wages, many of these new contract employees have done what most civil servants, including full-time teachers, have throughout the war: look for other job opportunities to make ends meet. A university degree holder earns just YR55,000 (about US\$40) a month, while a high school diploma holder earns YR45,000 (about US\$32), often paid late or on an irregular basis.^[11] Many teachers have had to devote less time and attention to teaching as they pursue supplementary employment, which has had a detrimental effect on learning and the level of educational attainment for students.

Poor Incentives

Despite efforts to organize training courses for contract teachers to improve their skills, teachers have shown little or no commitment to attend given the meager financial returns or incentives. With the exception of basic training courses supported by international organizations, the expertise and skills of contract teachers remain largely neglected.^[12] That the teachers are apathetic is understandable. Their wages are low, and the lack of support from the relevant authorities is disheartening. The few who have been able to take over formal positions from retiring permanent teachers have primarily done so through personal connections.

Moreover, an ill-conceived policy of deploying teachers away from their hometowns limits their interest and ability to attend training courses. Teachers are sometimes deployed to rural areas, away from their families, with no financial incentives to help them cover additional hardships and living expenses. In addition, there is an unequal distribution of classes among teachers, with some having as few as six classes a week, while others have up to 15.^[13]

Adding to the issue, many teachers have reported not receiving a copy of their signed contract. Only a few school administrations provide teachers with copies of their contracts.^[14] There are other legal discrepancies: of approximately 17,000 contracted teachers hired since 2016,^[15] only 500 were officially recruited by the competent authority in Hadramawt, the Office of the Ministry of Civil Service and Insurance, while the rest were recruited through the offices of the Ministry of Education, although they are not vested with the authority to hire.

9 WhatsApp interview with Mohammed Mubarak Hamdan, head of the Contract Teachers Committee In Coastal Hadramawt, November 5, 2022.

10 WhatsApp interview with Saleh Kortab, head of the Contract Teachers Committee in Wadi Hadramawt, November 15, 2022.

11 In-person interview with a male contracted teacher at Al-Mallahi School in Al-Shihr, November 1, 2022.

12 These include training courses by SOUL for Development, as well as courses organized under the “Restoring Education and Learning” project, which is funded by the World Bank and the Global Partnership for Education, and implemented by Save the Children, UNICEF, and the WFP. In-person interview with a female contracted teacher at Al-Nuban School, Al-Shihr, August 9, 2023 and WhatsApp interview with Hassan Al-Shanini, a former member of the Committee of the Education Support Fund, August 9, 2023.

13 In-person interview with a female school principal in Al-Shihr, October 15, 2022.

14 WhatsApp interview with Thikra Battambak, Vice Principal of Al-Mallahi School in Al-Shihr, November 10, 2022.

15 WhatsApp interview with Mohammed Mubarak Hamdan, Head of the Contract Teachers Committee In Coastal Hadramawt, November 5, 2022.

A Different Approach is Needed

It was the protests of regular teachers demanding better conditions that partly triggered the hiring of contract teachers, only for these to also resort to striking to demand formalization of employment, or compensation for its short-term nature. In response, two committees were formed in Coastal and Wadi Hadramawt^[16] in late 2018 to represent contract teachers, but their endeavors failed, leading to the resignation of the Coastal Committee. A committee headed by the governorate's undersecretary for financial and administrative affairs was then formed in September 2022 to look into the issue and keep a tally of contract teachers.^[17] But at the time of writing the committee's findings have yet to be disclosed.

Addressing the issue of contract teachers requires the development of clear contractual policies. These must include specifying the qualifications necessary for contract teachers and ensuring that interested candidates undergo training courses as a prerequisite for obtaining the job. Priority should be given to graduates from university faculties of education and relevant disciplines. The Office of the Ministry of Civil Service and Insurance should be the sole contracting party in coordination with the offices of the Ministry of Education. Secondly, the monthly allowance for contract teachers needs to be urgently reviewed. Contract teachers must also be provided with a copy of their contract and given priority in any formal appointment to permanent positions as full-time teachers. This would motivate interested individuals to develop their skills and meet the terms of the contract in a way that serves the overall educational process. Lastly, the contracting process should be temporary, and viewed as a step toward formal recruitment based on clearly defined procedures, which may include continuous assessment of the skills, performance, and commitment of contract teachers.

Warda Awad Belswad is a writer and contract teacher. She has published a collection of short stories, winning the President's Youth Award and the Sheikha Hanan Bahamdan Award for Creativity. Warda is also the Deputy Head of the Women's Division at Al-Shihr Literary Club in Hadramawt.

This commentary was produced as part of the Yemen Peace Forum, a Sana'a Center initiative that seeks to empower the next generation of Yemeni youth and civil society activists to engage in critical national issues.

¹⁶ Ibid.

¹⁷ Phone interview with Amin Baabbad, Director-General of the Ministry of Education Office in Coastal Hadramawt, November 8, 2022.



A man looks at murals of Houthi leaders and other leading figures in the Iranian-led Axis of Resistance outside Al-Shaab (formerly Al-Saleh) Mosque in Sana'a on November 20, 2023 // Sana'a Center photo

Commentary

Crafting a Police State: Houthis Tighten Grip Amid Red Sea Attacks

Maysaa Shuja Al-Deen

As the world's attention is drawn to developments in the Red Sea, the impact of Houthi attacks on the global economy and the peace process in Yemen, and the risks of further escalation and wide repercussions for Yemen's domestic landscape, should not be overlooked. The Houthis' involvement in the Gaza war has fundamentally changed the course of events as the group tries to fully exploit this opportunity.

Yemenis of all factions have strong sympathy and unequivocal support for the Palestinian cause. This has facilitated the Houthis' decision to involve themselves in the ongoing Gaza war. The group has used the war as an opportunity to consolidate its power domestically, especially since it broke out at a time when they were facing growing popular discontent due to economic deterioration and ongoing non-payment of public sector salaries. After the April 2022 truce

halted major hostilities and lifted restrictions on Sana'a airport and the ports of Hudaydah, it was more difficult for the Houthis to justify the deteriorating living conditions and unfair tax collection, especially amid signs of increasing wealth among some of its leaders.

One of the tensest moments faced by the Houthis was **the spontaneous and widespread popular celebration of the September 26 Revolution** of 1962, which Yemenis see as the political antithesis of the Houthi coup of September 2014. Marking its anniversary became a form of defiance against the group. As a result, **hundreds were arrested** on the streets of Sana'a simply for celebrating. But in less than two weeks, the Palestinian cause returned to the headlines.

As the Gaza war and the brutality of Israeli aggression diverted attention, the Houthis' involvement through missile attacks against Israel and targeting ships in the Red Sea quickly impressed some of their opponents and conferred new legitimacy on their rule. Renewed escalation of conflict, this time against Israel and the United States, curbed the possibility of a greater public outcry over the group's policies.

Widespread popular sympathy for Palestinians and anger over sustained mass killing and destruction in Gaza, and over the US-UK air strikes in Yemen, have **ramped up the recruitment of fighters** and mass mobilization campaigns in Houthi-controlled areas. These activities include compulsory military drills and training courses, which last several days and **target all ages and segments of society, including children and adolescents, academics, and judges**.

The group's leader, Abdelmalek al-Houthi, now appears regularly on television, delivering speeches every Thursday night. He also gives other speeches on the many occasions the Houthis commemorate, such as the Martyr Days for figures such as Hussein al-Houthi, Saleh al-Samad, and others.

In these public addresses, starting from **his first speech on October 10** after the launch of the Hamas-led Al-Aqsa Flood Operation against Israel, Abdelmalek al-Houthi has consistently asserted that the group is coordinating with the Axis of Resistance to respond proportionately to the Israeli aggression against the people of Gaza. It has also become clear that he is **personally and attentively following mobilization efforts**, as he regularly accuses critics of the group of hypocrisy and loyalty to the "infidels" and Israel. Notably, Abdelmalek's speeches have progressively become **more religious**, compared to the more nationalist speeches he gave earlier in the war against the Saudi-led coalition, where he was careful to avoid inflaming sectarian sensitivities.

Generally, the Gaza war has worked in the Houthis' favor for three main reasons. First, it helped the group achieve its long-standing ambition to gain prominence regionally. The Houthis have gained extraordinary popularity outside Yemen amid popular anger in the region and the world over the ongoing ethnic cleansing of Palestinians. Their actions in the Red Sea have presented the Houthis as a regional and international actor to be reckoned with and one that will not back down.

Secondly, the Houthis are invested in the war to legitimize their rule and consolidate their political vision of governance, centered on the leadership of Abdelmalek al-Houthi as an absolute political and religious authority. The Houthis first came to power by force of arms, but their legitimacy remained fragile. They have tried to bolster it by engaging in conversations around power-sharing, even if they have no intention of following through. Then came the war with the Saudi-led coalition, which provided them with the cover to consolidate power and roll back their

alliance with former president Ali Abdullah Saleh, eventually leading to his killing in December 2017. In the absence of rivals or competitors, over time the group's confidence was bolstered, and they began to implement their political vision through the enactment of new laws and the changing of educational curricula.

Houthi leaders continued to play the power-sharing card in international media to counter accusations that the group is authoritarian and unwilling to cede power. The Saudi roadmap – announced just weeks before the outbreak of the Gaza war – included a pledge to take part in Yemeni-Yemeni talks on the future of governance in the country. But the ongoing Gaza war has bolstered the Houthis' confidence and audacity to the point that they have publicly declared that Abdelmalek al-Houthi must be the head of state, with absolute authority, in any future political system. While this notion has long been ingrained in the group's ideology and widely applied in practice, they never disclosed it publicly to a Western audience until senior Houthi official Abdelmalek al-Ejri's [recent comments to The Atlantic](#).

Finally, the Houthis are using the war as a pretext to crack down on all forms of dissent, silencing those who do not demonstrate absolute loyalty to the group. It started with [the arrest and enforced disappearance of Judge Abdelwahhab Qatran](#) on January 2, who criticized the Red Sea operations and said it would have been better to pay attention to the internal affairs of a country suffering from famine. He is the first public figure to be imprisoned and punished under a recently enacted law [prohibiting and criminalizing recognition of Israel or normalizing relations with it](#). This law – promulgated on December 5, 2023 – is strong evidence of how the Houthis are exploiting the Gaza war to tighten their grip.

Throughout the nearly decade-long Yemen war, Houthi authorities have tried hundreds of their opponents through the Office of Public Prosecution and the Specialized Criminal Court of First Instance on state security charges such as undermining the independence and unity of the state, or espionage and communication with a foreign state. Most of these charges are based on provisions of the [penal code](#), which imposes the death penalty if a defendant is found guilty. Additional penalties may be imposed such as the confiscation of the defendant's assets. But the Houthis have gone too far in applying these laws – especially the asset confiscation clause – which is supposed to apply only in exceptional circumstances. [In 2017, a Specialized Penal Prosecution issued a decision to confiscate the assets of 3,700 individuals](#) labeled as 'traitors' and 'mercenaries,' most of whom reside outside Yemen.

Despite misusing the law and appointing crooked judges to corrupt the judicial system, some provisions of the penal code remained an obstacle for the Houthis, until the Gaza war provided them with an opportunity to pass the new legislation regarding Israel. The law's provisions exclude no one and can be applied randomly. It criminalizes any direct or indirect relations with Israel, with countries that have overt or covert relations with it, and statements declaring or implying support for Israel. Other provisions of the law forbid communication – by any means – with Israel through any affiliated official body or establishing a trade relationship with such bodies. The law also criminalizes "the use of the internet and social media to engage with websites or electronic services established by or affiliated with the Zionist enemy, or with companies that are complicit and support the occupation [Israeli] forces."

The scope of application of this law is clearly stipulated: it applies to Yemenis at home and abroad as well as foreigners residing in Yemen; there are no exceptions. Indeed, the law does not even specify evidence needed to convict a person, only a presumption of their guilt.

The monstrosity of this law lies not only in the fact that it can be used to unequivocally indict anyone, but also in the severity of the associated penalties. It includes provisions stipulating that penalties can be toughened under conditions of war. Even more concerning, it lacks provisions for granting pardons or commutating sentences. Penalties range from imprisonment to fines and confiscation of assets. It also threatens to suspend the activities of any company, institution, organization, or other legal entity found guilty.

In tandem with the new law, the Houthis have become more openly repressive. Perhaps the most glaring example of this is [the recent bombing](#) of the house of an opposition figure in the town of Rada'a in Al-Bayda governorate, which destroyed several neighboring buildings and claimed the lives of [at least 13](#) people.

The group is relying heavily on its involvement in the Gaza war to consolidate power far more efficiently than it did during the war with the Saudi-led coalition. But even the political cover provided by the Gaza crisis will not be enough to hide the deepening economic crisis in Houthi-run territories and the group's increasing repression to maintain control.

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Local authority leaders and tribal figures rally at demonstrations organized by the Houthis in Dhamar governorate on March 15, 2024 // Sana'a Center photo

Commentary

Al-Aqsa Flood and the Battle of the Promised Conquest: How the Houthis Mobilize Popular Support

Nasr Rushdi

Since day one, the Houthi group (*Ansar Allah*) has openly supported and praised the Al-Aqsa Flood operation launched by Hamas on October 7. The group has pledged its full support to the Palestinian resistance in its war against the Israeli army, which is waging a military campaign in the Gaza Strip aimed at dismantling Hamas and other Palestinian resistance factions.

The Houthi stance on the Gaza war has reverberated domestically within areas under their control. The group has unequivocally embraced religious rhetoric in support of Palestine and the Palestinian resistance through official media outlets, which are largely influenced by or affiliated with the Houthis. Local radio channels have adjusted their program schedules, airing political songs in support of Palestine and *zawamil* (Yemeni tribal poetry).

The Houthis have utilized all their available resources and media platforms to advocate for the Palestinian cause, and declared that Yemenis should be proud of their role in this war, which involves launching missiles at Israel and targeting Israeli vessels and other ships passing through the Red Sea. Furthermore, they have preached the idea that Yemen can defeat both the United States and Israel, urging participation in military training to prepare for war against these countries.

The message that “God has chosen Yemenis to triumph over America” resonates in mosques in regions under Houthi control. During Friday prayer sermons, Abdelmalek al-Houthi, the leader of the group, is portrayed as a righteous ruler, sent by God to ensure victory for Yemenis. Obedience to him is deemed obligatory, and his leadership is seen as devout and virtuous, advocating for Yemen and the Palestinian people.^[1]

The demonstrations of support from Houthi-controlled state institutions and civil society groups are numerous. A declaration in support of the Palestinians was made during a conference, “The Scholars of the Ummah and the Responsibility to Advocate for the Vulnerable People of Gaza and Palestine,” hosted by the Yemeni Scholars Association in Sana’a on January 1. It urged public mobilization for battle, praised the Houthis’ Red Sea Operations, and emphasized support for a comprehensive boycott against Israel and its allies. The scholars concluded that it is incumbent upon youth to undergo training in preparation for potential confrontations and response strategies, to be determined by *Al-Wali Al-Alam* (The Foremost Temporal and Spiritual Authority), Abdelmalek al-Houthi.^[2]

Houthis Launch Series of Solidarity Campaigns

The Houthi campaign “You Are Not Alone” is one of many prominent initiatives in areas under the group’s control, leading boycotts of American and Israeli products and organizing marches^[3] and rallies every Friday afternoon at Al-Sabaeen Square in Sana’a and other public spaces. These gatherings are convened either by a directive from Abdelmalek or the central committee of the campaign, chaired by cleric Mohammed Muftah. The pivotal aspect of these rallies and marches is the chanting of “We delegate to you,” by participants at the conclusion of each event. This declaration constitutes an oral, public, and collective acclamation of Abdelmalek, legitimizing his authority and Houthi rule.

The “Al-Quds is Closer” campaign, also known as “Our Money Protects Al-Quds”, was launched to raise funds and donations in support of Palestine. The Al-Nasr Brigades, part of the Houthi-run 5th Military Region, donated 132.5 million Yemeni rials to representatives of the Palestinian Islamic Jihad Movement and the Democratic Front for the Liberation of Palestine in Sana’a.^[4]

1 Friday Prayer Sermon, Al-Khulafa’a Mosque, Sana’a, January 19, 2024.

2 “The Scholars of the Ummah and the Responsibility to Advocate for Gaza and Palestine [AR],” Yemen TV, January 1, 2024, <https://www.youtube.com/watch?v=zEI-u3aEZ2o>

3 “Nusrat Al-Aqsa Committee calls for march under the banner ‘We stand with Palestine... and America is the mother of terrorism’ [AR],” Saba News Agency, January 17, 2024, <https://www.saba.ye/ar/news3297215.htm>

4 “Al-Nasr Brigades provide financial support to the Palestinian resistance [AR],” National Information Center, October 29, 2023, <https://yemen-nic.info/news/detail.php?ID=76745>

The Women's Committee within the Houthi group is actively engaged in gathering donations and coordinating aid to support Palestinians in the Gaza Strip.^[5] Government institutions and departments have spearheaded campaigns to collect donations and gather assistance for Palestinians. The General Authority for Zakat and its personnel have initiated dedicated donation drives for Gaza, amassing nearly 1.4 billion Yemeni rials.^[6]

The Ministry of Education too has issued directives to launch a multi-pronged awareness campaign on the Al-Aqsa Flood operation through school activities, morning assemblies, and school radio stations. The campaign adopts religious discourse and encourages support by explaining the Palestinian cause and the current events in the Gaza Strip. It also broadcasts Palestinian and patriotic songs and symbols in support of Palestine. The adoption of religious and resistance ideologies is increasingly conspicuous in public schools, alongside moral preparation to confront the enemy in war. An aura of power is fostered around the Quranic March and the Leader of the Revolution (Abdelmalek al-Houthi), who is seen as guiding Yemen to victory in its war with the United States and Israel.^[7]

This instructional ethos is also prevalent at Sana'a University, where the "Al-Aqsa Flood Open Forum"^[8] began with the goal of highlighting the daily crimes committed by the Israeli army against civilians in Gaza, including children and women, and highlighting the sacrifices and operations of the Palestinian resistance. The forum is open to all researchers and students to discuss the dimensions of the Palestinian cause. Seminars and workshops on the Al-Aqsa Flood operation are held in every department of Sana'a University, and there have been calls to devote the first ten minutes of each lecture to discussing it and the war on Gaza.

In furtherance of the weekly marches and solidarity vigils held by university students and academic staff in support of Gaza, it was announced that ten points would be added to each student's grades, and an hour of bonus pay provided for each faculty member who participates in such events.^[9] Dr. Al-Qasim Abbas, Dean of Sana'a University, stated: "Sana'a University is an integral part of the Al-Aqsa Flood campaign and continues open and public mobilization. We call on those who have not yet joined to register at the university's office for public mobilization, participate in training and rehabilitation courses, and increase readiness to confront the Zionist entity and the Americans at any time."^[10]

On December 5, 2023, Mahdi al-Mashat, the Chairman of the Supreme Political Council, signed Law No. 4 of 2023, prohibiting and criminalizing the recognition of Israel or normalizing relations with it. Al-Mashat stressed that "the law will allow Yemen to confront the Zionist entity with greater determination and in a more formalized manner."^[11]

5 "The Women's General Cultural Commission to coordinate Al-Aqsa flood convoy in support of the Palestinian people [AR]," Saba News Agency, November 25, 2023, <https://www.saba.ye/ar/news3283480.htm>

6 "The General Authority of Zakat and its employees launch a campaign to support and donate to the people and mujahideen of Gaza in the amount of 1 billion and 390 million riyals [AR]," General Authority of Zakat, November 20, 2023, <https://www.zakatyemen.net/2023/11/20/هيئة-الزكاة-تدشن-حملة-الدعم-والترعات/2023/11/20/>

7 Interview with a school social worker in Sana'a, January 17, 2024.

8 "Launch of the Al-Aqsa Flood Open Forum at Sana'a University" [AR]," Saba News Agency, November 7, 2023, <https://www.saba.ye/ar/news3278679.htm>

9 A WhatsApp message was sent on January 8, 2024 addressed to faculty members of Sana'a University. Among the recommendations of the faculty board meeting that were put forward were: Urging all faculty members to attend the pro-Gaza demonstration on Wednesday of each week; add an hour's bonus for each faculty member who attends the event, in line with the instructions of the University's Deanship; add ten points to the grades of each student who participates in this event (in individual subjects); dedicated a space for each faculty, where all its members can gather during the pro-Al-Aqsa event.

10 "A student march at Sana'a University in solidarity with Gaza [AR]," Al-Masira TV, January 17, 2024, <https://www.masirahtv.net/post/246297/-مسيرة-طلابية-في-جامعة-صنعاء-تضامناً-مع-غزة>

11 "President Al-Mashat signs a law prohibiting and criminalizing recognition of the Zionist enemy entity or normalizing relations with it [AR]," National Information Center, December 5, 2023, <https://yemen-nic.info/news/detail.php?ID=76934>

Military Mobilization on the Ground

Houthi Popular Mobilization Forces have welcomed recruits to join Al-Aqsa Flood training sessions, a series of military drills financed through contributions and donations. These sessions, spanning from ten to thirteen days, are conducted in collaboration with neighborhood chiefs (aqel) and tribal sheikhs across various regions, as well as at student gatherings at both public and private universities. The course covers the handles of firearms, including machine guns and pistols, as well as rocket-propelled grenades, and mortars. The theoretical component of the course is conducted at local mosques and community prayer centers in neighborhoods.^[12]

Participants subsequently transition to three days of practical exercises and intensive field drills conducted in open fields and vacant areas. Drills have been held in tribal areas such as Ozlat al-Hadb and Rub' Bani Qays in Bani Matar district, in Sana'a governorate.^[13]

In various governorates and cities under Houthi control, the first batch of participants in these courses (about 16,000 fighters)^[14] graduated in an official ceremony that was held in Al-Sabeen Square in Sana'a in early December. Some 20,000 fighters graduated in the city of Hajjah^[15] in another official ceremony that took place in late December.^[16]

Houthi military forces have carried out several live-fire military exercises referencing Gaza war. One maneuver dubbed "Al-Aqsa Flood"^[17] was conducted by Houthi-affiliated Support and Backup Battalions, a reserve force established by the group. An exercise entitled "You Are Not Alone,"^[18] was conducted by the First Presidential Guard Brigade in Al-Jawf Governorate in late December and another called "We Are Ready for the Battle of the Promised Conquest and Holy Jihad"^[19] took place in Al-Baqa' in Sa'ada governorate on January 13, the day after airstrikes by American and British warplanes began targeting military installations with the aim of diminishing the Houthis' ability to disrupt international marine traffic in the Red Sea.

12 A WhatsApp message addressed to residents of a neighborhood:

"(Important Announcement):

A workshop entitled "The Al-Aqsa Flood" will be organized Below are the details and objectives of the workshop:

First: The duration of the workshop is ten days, starting tomorrow, [redacted date] ... It will take place at [redacted] Mosque ...

Second: The objective of the workshop is to train participants on the use of all types of weapons, from Kalashnikovs to machine guns of all kinds.

The training will entail theoretical knowledge plus practical application. Third: The workshop is open to all young people as well as the elderly. Anyone interested in benefiting from this course should attend and register. I hope everyone can attend for personal benefit, first and foremost. It is good that a person is familiar with the military aspects.

Certificates of participation in the workshop will be given to those who attend and benefit. It is only two hours a day and spans over a period of ten days only.

This is an opportunity that we must all seize and take advantage of.

We ask everyone to participate and interact in this workshop, given its great benefit at all levels ...

Best regards,

Your brother, the neighborhood Aqel"

13 "A military exercise in Bani Matar on the occasion of the graduation of the second batch of Al-Aqsa flood training courses [AR]," Al-Masirah TV, January 20, 2024, <https://www.masirahtv.net/post/246444/من-بني-مطر-بمناسبة-تخريج-الدفعة-الثانية-من-مناورة-في-بني-مطر>

14 "A parade of the first batch of graduates from Al-Aqsa flood training courses in Al-Sabeen Square [AR]," Saba News Agency, December 2, 2023, https://www.saba.ye/ar/news3285389.htm?file_id=1

15 "Hajjah: More than 20,000 jihadists graduate from the first batch of the Al-Aqsa flood training courses [AR]," Saba News Agency, December 24, 2023, <https://www.saba.ye/ar/gallery21713.htm>

16 Kameel Abu Munassar, deputy commander in charge of the Public Mobilization, interview with Al-Mayadeen TV, Sana'a, December 21, 2023, <https://www.youtube.com/watch?v=9tTIIY6Zp6A>

17 "Support and Backup Battalions Carry Out Military Exercise dubbed 'Al-Aqsa Flood' [AR]," Saba News Agency, October 30, 2023, <https://www.saba.ye/ar/video461.htm>

18 "A new military exercise themed 'You Are Not Alone' [AR]," Yemen TV, December 24, 2023, <https://www.youtube.com/watch?v=x-AurSXx4G4>

19 "A maneuver titled 'We Are Ready for the Battle of the Promised Conquest and Holy Jihad' takes place in Al-Baqa [AR]," *Ansar Allah*, January 13, 2023, <https://web.archive.org/web/20240115064909/https://www.ansarallah.com/archives/656729>

Regiments of fighters who graduated from different units underwent training that bore the name “Al-Aqsa Flood,” including a regiment of fighters from the Al-Badr Brigade (led by the Military Police)^[20] in Sa’ada Governorate, and a regiment of fighters from the Al-Quds Brigade (Special Forces) of the Central Military Region in Sana’a.^[21] The reserve forces of the border guards performed close-order drills with the participation of 10,000 soldiers.^[22] Another group, named Rami RPG, graduated from the Central Military Region in Sana’a, after training to use the Al-Yassin 105 anti-tank shell employed by the Palestinian resistance factions against Israeli armored vehicles and tanks.^[23]

In its public rhetoric, the Houthi group underscores the vital role of training, military exercises, and donation initiatives as key elements of mobilization and building military capacity. The group asserts that these efforts comprise a wave of support for Al-Aqsa and Palestine and an important resource in the event of direct confrontation with US or Israeli forces.

Within the areas under its rule, the Houthi group has bolstered its political clout by portraying itself as a staunch supporter of the Palestinian cause and a potent challenger against the United States and Israel, particularly in light of the perceived shortcomings in the responses of the Arab and Islamic world. Leveraging its longstanding political rhetoric, the group has prioritized its commitment to these ideals, temporarily deferring discussions on other contentious issues—both political and economic—until the end of the conflict in Gaza and the cessation of the US and British strikes.

Nasr Rushdi is a Yemeni researcher writing under a pseudonym.

This commentary was produced as part of the Yemen Peace Forum, a Sana’a Center initiative that seeks to empower the next generation of Yemeni youth and civil society activists to engage in critical national issues.

20 “Military exercise by members of Al-Badr Brigade (led by the Military Police) in Saada [AR],” Saba News Agency, November 3, 2023, <https://www.saba.ye/ar/news3277682.htm>

21 “A military batch – special forces – graduates from Al-Quds Brigade in the Central Military Region [AR],” Saba News Agency, November 7, 2023, <https://www.saba.ye/ar/news3278721.htm>

22 “A close-order drill by the reserve forces of the border guards to express readiness to confront the Zionist entity [AR],” Saba News Agency, November 16, 2023, <https://www.saba.ye/ar/news3281172.htm>

23 “The Central Military Region celebrates the graduation of a batch of fighters from ‘The Battle of the Promised Conquest and the Holy Jihad’ course [AR],” Al-Thawra newspaper, January 27, 2024, <https://althawrah.ye/archives/858149>



Ebrahim Raisi, now president of Iran, delivers a speech at Tehran's Hory Mosque on April 10, 2017 // Photo from Tasnim News Agency / Creative Commons

Analysis

Iran's View of Houthi Attacks in the Red Sea: Protecting Gains and Limiting Costs

Thomas Juneau

The war in Gaza has presented the Houthi group (*Ansar Allah*) with an opportunity to consolidate power inside Yemen and expand its regional influence. To achieve these aims, the Houthis have launched dozens of attacks against shipping in the Red Sea. Domestically, this has allowed them to mobilize strong pro-Palestinian feeling among the Yemeni population. Regionally, it has helped the Houthis further establish themselves as an emerging power, as they have demonstrated that they have both the capability and the intent to obstruct shipping in one of the global economy's crucial maritime chokepoints.

To understand Iran's interests and perceptions regarding the crisis in the Red Sea, it is useful to examine its approach to Yemen prior to Hamas's attack on Israel on October 7. From Iran's perspective, the growing power of the Houthis has been a very positive development. The Houthis

face obstacles in Yemen, notably the difficult economic situation and growing discontent in areas under their rule. But they have emerged from Yemen's civil war and the Saudi-led intervention as **the de facto governing authority** in the country's populated northwest, with no plausible political or military challenger. The internationally recognized government, moreover, remains weak and divided.

The precise value of Iran's support to the Houthis is unknown, but has probably amounted to no more than the low hundreds of millions of dollars per year since 2015. By providing the Houthis with small weapons, ammunition, and parts for more advanced weapons, such as missiles and drones, as well as the training and intelligence to use them, Iran's **limited investment** has brought it **major gains**. In part thanks to this support, the Houthis have become the dominant power in Yemen and a key player in the "Axis of Resistance," the regional network of non-state armed groups under Tehran's leadership. From Iran's perspective, the next step is the legitimization of Houthi power. This is why Tehran supports a political process between the Houthis and Saudi Arabia, as the outcome would inevitably be the further consolidation of Houthi rule and not a national reconciliation process, which would imply a dilution of Houthi power.

The Houthis' seizing the opportunity to escalate in the Red Sea allows Iran to maximize the return that its investment in Yemen was already bringing, and therefore does not change Tehran's overall calculus. The Saudi-Houthi political process has been thrown sideways for now, but there is no doubt that Riyadh still wants to extricate itself from its costly war in Yemen. Iran's objective is still to encourage Saudi Arabia's withdrawal and the consolidation of Houthi power. If anything, the strengthening of the Houthis' hand relative to Saudi Arabia as a result of the expansion of their regional activities benefits Iran, as it means that the Houthis will be able to extract even more concessions from Riyadh when the political process resumes.

Beyond Yemen's borders, the emergence of the Houthis as a powerful regional player also benefits Iran by strengthening the Islamic Republic's deterrence capabilities and ability to impose costs on its American, Israeli, and Saudi rivals. It signals that in addition to the Strait of Hormuz, Iran and its partners can disrupt shipping in another crucial maritime choke point, the Bab al-Mandab, which links the Gulf of Aden to the Red Sea and through which about 12 percent of global maritime trade transits. The Houthis' demonstration of their regional capabilities and the intensification of their ties with other Iranian partners, especially Hamas and Hezbollah, continues the trend of the institutionalization of the Axis of Resistance. Finally, the Houthis' ability to position themselves as champions of the Palestinian cause reinforces an Axis of Resistance narrative and strengthens their ability to leverage a genuinely popular position in Yemen and throughout the Arab world against their rivals, who are more aligned with the United States and far less vocal in defending Palestinian rights.

Despite these gains, recent events in the Red Sea pose risks for Iran. The dominant principle driving the Islamic Republic's foreign policy is avoiding **direct confrontation** with the US, given the vast power asymmetry between the two. Support for non-state armed groups throughout the region allows it to push insecurity beyond its own borders, because it understands that in the event of major escalation the US ultimately has the capacity to cause much more damage. That is in part why Iran has encouraged Hezbollah not to escalate its conflict with Israel, a restraint consistent with Hezbollah's current domestic interests.

It is in this context that the hubris of Houthi actions poses **risks for Iran**. The Houthis perceive, correctly, that no actor inside Yemen can challenge them, and that not only can they withstand

limited US-UK airstrikes, they can benefit politically from these attacks. In this sense, their tolerance for risk is arguably higher than Iran's, which is more concerned with avoiding escalation. Iran is also mindful that Hamas is suffering major military damage and has lost the ability to govern the Gaza Strip, two important points of regional leverage for Tehran. It therefore wants to avoid the Houthis sustaining more than the limited damage they have suffered so far.

The ideal balance for the Islamic Republic is a gray area in which the Houthis, like other pro-Iran armed groups, provoke Saudi Arabia, Israel, and the US, and contribute to bogging them down in conflicts that are as costly as possible, while the Axis of Resistance scores rhetorical points, boosting their popular support. This allows Iran to directly and indirectly pressure and impose costs on its rivals while avoiding escalation that would be costly to itself. That is likely why, as [recent media reports](#) have suggested, Iran has worked to rein in some of the militias it backs in Iraq who pushed the envelope too far and raised the risk of further escalation.

This careful calibrating exercise raises the longstanding debate about the level of operational and strategic influence Iran exerts over the Houthis. Some analysts view the [Houthis as proxies](#) and argue that Tehran, while not necessarily directly controlling them, does exercise major influence. Recent events, however, support a more nuanced view, according to which the fiercely nationalist Houthis, while recipients of important Iranian assistance, have become a powerful, increasingly independent actor, and would more accurately be labeled as partners. Their interests are mostly aligned, despite some divergences, and they work together closely in their pursuit.

The key objective of Iranian foreign policy remains constraining the US's room to maneuver by raising the actual or potential costs of its actions and forcing it into bad choices and damaging policies. This is the corner into which Iran has helped push the US in the Red Sea: Washington is now entangled in the war in Yemen through its bombing of the Houthis, with limited possibilities of success. The aim of the Islamic Republic is to protect the gains made by its allies – Israel is bogged down in a costly war in Gaza, and the Houthis have emerged as a regional power and scored important propaganda gains – while minimizing losses both realized, in the case of Hamas, and potential, in the case of the Houthis. It is a difficult balance to strike.

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