

track changes version here:

<https://docs.google.com/document/d/17eAHQMwEgl8LLgZvP3CyvKVVndUkldbU/edit>

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

By 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

track changes version here:

<https://docs.google.com/document/d/17eAHQMwEgl8LLgZvP3CyvKVNdUkldbU/edit>

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

track changes version here:

<https://docs.google.com/document/d/17eAHQMwEgl8LLgZvP3CyvKVNdUkldbU/edit>

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.

This analysis is part of a series of publications produced by the Sana'a Center and funded by the government of the Kingdom of The Netherlands. The series explores issues within economic, political, and environmental themes, aiming to inform discussion and policymaking related to Yemen that foster sustainable peace.