The Houthis' Survival Tactics: Plans to Establish Their New State

Case Analysis

Political Analysis Unit

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Contents

Introduction

The armed Houthi group has announced a new government in Sana'a, which is not internationally recognized. This move follows their leader's announcement in September of last year, promising "radical changes". The new government comes amid the ongoing Red Sea crisis, where the Iran-backed Yemeni movement has been attacking commercial ships in international shipping lanes since November. In response, the United States, with occasional support from the United Kingdom, has been conducting airstrikes since January. The Houthis have used these airstrikes as a political tool to increase repression in the areas they control and to prepare for a new war to seize resources from territories held by the internationally recognized government. Peace negotiations in Yemen have stalled, particularly after the Houthi attacks in the Red Sea. Additionally, post-ceasefire understandings—established in April 2022—between the Houthis and Saudi Arabia, as well as between Saudi Arabia and Iran, have also been suspended.

The announcement of the new Houthi government comes at a time when the group is facing severe internal challenges. These challenges involve their alliances with the General People's Congress (Sana'a Wing)1 [[, tribes, state employees, and businessmen. There is also growing popular resentment in Houthi-controlled areas due to corruption, governance failures, rampant cronyism, and the creation of new financial centers controlled by Houthi leaders. This development occurs in a highly tense regional conditions, bringing the area a step closer to cross-border war. The Yemeni Armed Group becomes as a spearhead in the exchange of strikes between Iran, the Israeli occupation, and the West, positioning Yemen a significant factor in regional stability.

The present analysis evaluates the significance of this announcement at various levels, including its relation to the Red Sea crisis, Iran, the internationally recognized government. It also gives a focus on its impact on peace efforts and the consequences of this announcement on the political, economic, and social conditions in governorates under Houthi control.

Institutional Challenges Facing Houthis:

Over the past decade, the Houthis have created two competing factions within the state institutions under their control. The first faction is the publicly declared government, and the second is a parallel shadow government, both directly tied to the group's leader. Previously, the Houthis have implemented a system of "supervisors'," appointing a representative in every state institution, regardless of its size or function.

These two factions compete for power and wealth, while the group's leader, Abdul-Malik al-Houthi, remains the ultimate decision-maker and main arbiter in disputes. This complex system has negatively impacted the functionality of institutions, creating the perception that these institutions are controlled by "hidden forces." The newly formed government, led by Ahmed Ghaleb Nasser Al-Rahwi, which replaces Dr. Abdul Aziz Saleh bin Habtoor, comes into this seemingly unchanging situation.

Meanwhile, conditions outside the administrative, political, economic, and social institutions continue worsening, as explained in the following points:

Public Resentment:

The Houthis' failure to manage state institutions and provide services has led to increasing resentment among Yemenis. This anger is further exacerbated by ongoing levies, abuse of power that places citizens beneath the Houthis, the long-standing refusal to pay government employees' salaries. 2023 and 2024, rare protests broke out in Houthi-controlled areas, condemning the group's governance and warning of a return to the Imamate regime that was overthrown in 1962.

The formation of the new government coincides with an unprecedented suppression conducted by the Houthis against government officials, former Yemeni embassy employees in Western embassies in Sana'a, as well as employees of international and local organizations, including UN agencies. Several individuals accused of "spying" for American, Israeli, and Western intelligence agencies were coerced into confessions, which were then broadcast. These actions have severely disrupted relief operations in Houthi-controlled territories, where nearly 80% of the population urgently needs humanitarian aid.

The Houthis are attempting to absorb the rising anger, both within the group and among the general public regarding their corruption and failure, by blaming the forms of systems and laws in state institutions; their shared control with the General People's Congress; and American intelligence agencies, which they claim have destabilized governments.

While the formation of a new government may temporarily appease the anger among the group's supporters and residents in its controlled areas, the root problem lies in the parallel institutions the Houthis have created. These institutions monopolize state revenues to fund the war effort, further entrenching the crisis.

Relations with "Sana'a General People's Congress":

The formation of this new government occurs amid escalating tensions between the Houthis and their political ally, the "Sana'a Congress" (General People's Congress). The Houthis have consistently rejected the Congress's demands to rotate the presidency of the Supreme Political Council, which the Houthis have controlled since 2016, despite an agreed-upon six-month rotation. Additionally, the Houthis have refused to meet with party leaders, even when mediation delegations from Oman, Saudi Arabia, Europe, or the United Nations have visited Sana'a.(2)

The Houthis ignored any consultations with the" Sana'a Congress "and its chairman ,Sadeq Ameen Abu Ras ,during the formation of the new government .This suggests that the Houthis are abandoning the political cover the party once provided for their control over state institutions .According to a Houthi leader ,members of the new government were selected by Abdul-Malik al-Houthi's office .Although some members of the" Sana'a Congress "are part of the new government ,Congress officials clarified that these individuals joined in a personal capacity ,not as official party representatives3)). Despite this, the "Sana'a Congress" publicly welcomed the new government led by one of its own leaders.

Maritime Attacks:

Since the Houthis began their attacks on Red Sea shipping in November 2023, they have grown more confident that their rule in controlled areas is now firmly established. Maritime navigation in the Red Sea has dropped by around 90% since the attacks began ,)4(and neither American nor European efforts have succeeded in stopping the assaults .)5) The Houthis have effectively turned maritime security into a bargaining chip ,using it as a new source of political leverage to pursue their ambitions .The announcement of the new government ,coupled with their rejection of the political cover provided by the" Sana'a Congress ",marks the Houthis' attempt to enforce a new balance of power within Yemen.

The Fragmentation of the Group:

Years of war have led to the creation of at least two broad factions within the Houthi movement .One faction is led by" Ahmed Hamid ",the chairman of the Presidential Office ,and the other by" Mohammed Ali al-Houthi ",a member of the Supreme Political Council .The latter complains about the exclusion of his close associates from state institutions ,with Ahmed Hamid's dominance fueling this ongoing power struggle over public offices .The prolonged ceasefire has also made many fighters and their immediate commanders realize they were used as mere tools in the war ,while others in leadership positions benefited from its rewards. This disillusionment has created a significant problem for the Houthi leader's office ,which has been dealing with a flood of requests from battalion leaders ,camp commanders ,and tribal chiefs demanding their share of benefits

The office of the Houthi leader believes that announcing a new government can temporarily placate its supporters by offering hopes of public employment .Many fighters returning from the frontlines are shocked to see Houthi leaders living in luxury ,while the Houthi supporters, their families and the general population suffer in poverty .)6(However ,this measure is only temporary ,as internal disagreements and resentment are expected to resurface soon.

Peace Roadmap

The formation of the new Houthi government came just weeks after Hans Grundberg ,the UN Special Envoy to Yemen ,announced an agreement between the internationally recognized government and the Houthis .The agreement included measures to reduce economic and banking tensions and expand direct flights from Sana'a to Cairo and India .This deal also halted measures taken by the internationally recognized central bank against banks in Houthi-controlled areas ,meeting all the Houthis 'conditions.

In early December ,2023 a preliminary agreement was reached for a UN-backed peace roadmap ,based on negotiations between the Houthis and Saudi Arabia ,without the participation of the internationally recognized government .However ,progress was halted when the Houthis escalated their attacks in the Red Sea ,causing a breakdown in discussions.

Survival Tactics

Research papers on internal dynamics usually ignore the stability of the Houthi group and its regime in its controlled areas ,as well as its need for loyal supporters rather than qualified officials .The Houthis appoint these loyalists in religious ,military ,and security institutions .The armed group perceives the mid-term threat to their survival not from public protests ,which are not the sole factor in regime collapse ,but the real threat comes from the continuation of the regime in a form of a coup carried out by political and military elites .They view" authoritarian flexibility "as extending beyond the notion that high legitimacy equals survival ,and low legitimacy equals potential regime collapse ,as asserted by Ehteshami et al., 2013"7)).

The program of the newly formed Houthi government goes beyond the responsibilities to manage authority. It focuses on building economic and political governance systems (8). These systems demonstrate extraordinary flexibility in managing access to resources and economic opportunities, allocating them in favor of Houthi leaders and a network of beneficiaries. This strategy reflects their broader aim of making "radical changes" through the creation of financial centers under their control, adding new institutions and policies, and seizing official institutional frameworks by informal predatory networks. Social and regional policies are used to reward loyalists and supporters while marginalizing other Yemenis. Accordingly, the following can be observed:-

War Priority: The Houthi government states its objective in the coming phase, which prioritizes war. The government's program emphasizes the need to "enhance the confrontation of aggression and support the battlefronts," referring to the fight against the internationally recognized government. The Houthis have strong ambitions to seize oil and gas resources, particularly after failed attempts to control oil and gas areas in Marib Governorate from 2020 to 2022. The government program outlines its expenditure that should focus on "enhancing combat readiness, supporting the fronts with fighters, weapons, and advanced equipment," "developing industrial capacity in military production," and "enhancing intelligence capabilities."

This indicates that, despite talks about a peace roadmap in Yemen, the Houthi government's program places the peace dossier under "foreign relations," without referring to the internationally recognized government based in Aden. This suggests that the Houthis prefer to engage in separate negotiations with coalition members, especially Saudi Arabia, rather than dealing with a unified entity as opposition or rebels to the group's rule.

New Revenues:

The Houthis prioritize war and view revenue collection as a crucial task for any authority governing in their territories. Their new government's primary goal, as they claim, is not to pay public sector salaries but to increase overall revenue. Their program states that they will raise government fees for services, which have already doubled during the group's rule .)9(They also emphasize" the importance of zakat ",estimating their revenues from zakat at 150 billion riyals 283$) million (in .2023 Additional revenue will come from remittances sent by expatriates and external grants. According to a 2023 World Bank report, remittances from over 6 million Yemeni expatriates amount to $4 billion annually. The Houthis also plan to "increase revenue from the telecommunications sector," hinting at a new tax on the telecommunications and internet sector, which is already one of the most expensive in the world. The Yemeni government claims the Houthis collect $2 billion annually from the telecommunications sector (10).

Shift from Group to Regime:

The Houthis aim to establish their governance regime by exploiting and manipulating official institutional frameworks, changing roles and organizational functions within state bodies to serve the group's interests. They plan to integrate over 200 state institutions and implement new laws and regulations that align with their shift to a governance system (11). This process involves multiple modes of economic governance, including strategies based on new financial centers, patronage, and state-directed efforts, providing a wealth of opportunities for managing the circles of the group's system of power (12). However, these shifts in the balance of opportunities can sometimes lead to tensions between competing factions within the group and widespread discontent in society.

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Militarization and Securitization:

The Houthis are working to establish a revolutionary system that keeps Yemen in a constant state of war. In the short to medium term, they aim to transform the country's civil structures into military and security-based ones. The Houthis have a track record of using force to suppress any dissent in their controlled areas, no matter how minor, including mass arrests, imprisonment, torture, and executions. The new government program emphasizes "enhancing resilience" and strengthening intelligence efforts to identify and dismantle "spy cells." In the future, accusations of espionage for foreign intelligence agencies will become commonplace.

This includes using a network of loyalists from enthusiastic "summer camp outcomes" as support forces, similar to the Iran's "Basij". They will allocate more revenues to build extensive surveillance networks, including informants, surveillance cameras, and monitoring of the internet and social media.

Recruitment and Patronage

To maintain support, the Houthis use a patronage system that offers economic incentives and resources and benefits to loyalists. This creates a network of supporters capable of defending the armed group against internal opposition. Their new government's program, however, disregards essential services such as free education, healthcare, small-scale projects, and equal opportunities. Instead, it focuses on providing government services, including opportunities to study abroad, to the "children of martyrs"—the offspring of fallen Houthi fighters.

Additionally, the Houthis offer jobs and employment opportunities in both the public and private sectors to individuals and tribal groups who support the group's policies. Their program emphasizes that "incentives" should be given to those working in the field, including substitute teachers who receive "regular monthly incentives" from the armed group, while official teachers have not been paid for years.

Through this approach, the Houthis aim to build a broad local support network to legitimize their rule. They utilize complementary relationships and networks of patronage and recruitment as an alternative tool to gain "legitimacy" and undermine the legitimacy of the internationally recognized government. They create multiple institutional networks to redistribute opportunities, such as agricultural aid, support for the poor, and assistance for the families of martyrs (the group's fallen fighters). Patronage networks, like parallel tribal institutions, generate loyalty and legitimacy among the specific social sectors they serve, whose interests and needs are tied to the group's survival. This could position the Houthis to influence electoral districts in their favor if parliamentary and local elections occur after the war ends.

Religious Legitimacy

The Houthis heavily emphasize their "religious ideology", portraying themselves as descendants of the Prophet Muhammad and defenders of Islamic values. They think these claims help them gain support, especially from religious segments of the population. Their government program focuses on "faith identity," and their first meeting began by recalling "Malik al-Ashtar's covenant to Imam Ali bin Abi Talib." In 2022, the Houthis imposed a "code of conduct for employees" to reinforce their ideology (13). Their control over mosques and religious institutions further enables them to spread their beliefs and policies.

Nationalist Discourse

In addition to their religious narrative, the Houthis use nationalism and anti-imperialist rhetoric to strengthen the sense of national pride among Yemenis by targeting Western ships in the Red Sea allied with Israeli occupation forces. They express satisfaction with attacks on Israeli territories and the retaliation by Israeli forces against Hodeida port as evidence of their resistance (14). Statements from the U.S. and Britain regarding airstrikes on Yemeni soil bolster their claims of fighting Western imperialism, helping to rally popular support against perceived foreign threats.

The Houthis also invoke Yemen's historical contributions to Islam, including the role of Yemenis in supporting Imam Ali ibn Abi Talib, and other imams, like "Malik Al-Ashtar Covenant" as a "Yemeni/Islamic nationalism."

When examining the Houthis' current strategy through the lens of composite authoritarianism, they seek to replicate the resilience of the regimes in Iran and Syria. The group's steps toward radical changes are similar to those adopted by Tehran and Damascus to maintain power through patronage networks, exploiting official frameworks to achieve the group's objectives, and altering roles and functions within state apparatuses to meet their goals. This development is not achievable without assistance from Iran, which announced the arrival of a new ambassador, "Ali Mohammad Rezaei," following the government change. His arrival cannot be viewed separately from the group's new shifts, especially when considering the role played by the former ambassador, Hassan Irlu, who handled the Yemen file since 2015 before being appointed as the head of diplomacy in Sana'a from 2020 to 2021. This coincided with the group's reorganization of its forces, internal decision-making circles, initiating a wide offensive to control the oil-rich Marib governorate (15).

Internal and External Factors

The Houthis' failure to govern the areas under their control has led to the dwindling internal support and the growing discontent among population. This internal discontent coincides with external pressure during the years of war and post-ceasefire. As a result, foreign policy has become an attractive field for their efforts to renew and revive their legitimacy internally. These dynamics drive the Houthis to seek external legitimacy by engaging in attacks in the Red Sea and Gulf of Aden, claiming to support Palestinians who are facing a brutal war from Israeli occupation, fully backed by the United States and Britain.

The Houthis' actions are largely driven by a desire to maintain power in a society that is growing increasingly resentful towards the armed group after a decade of war and their failure to govern effectively. This can be understood through internal and external relational dynamics that enable decision-makers within the Houthis to adapt their strategies to changing local and international circumstances.

In addition to their pursuit of domestic legitimacy, the external behavior of the Houthis demonstrates their quest for international legitimacy in a globally interconnected world. They leverage this duality to strengthen both their internal and external legitimacy.

Red Sea Attacks as a Political Lever

The Houthis have strategically used maritime attacks—which they claim are in support of Gaza—as a means to bolster their regional image as legitimate representatives of Yemen. Although the Houthis have linked the cessation of their attacks to the end of the war in Gaza, there is no guarantee they will adhere to this commitment. The group could easily find other justifications to target international shipping for political concessions. This is the same tactic they used against Saudi Arabia during the years of war, targeting vital (oil and economic) facilities to achieve political objectives at the expense of the internationally recognized government (16 .)For instance ,in July ,2024 the Houthis threatened to strike Saudi airports and ports unless the internationally recognized government reversed central bank decisions17)). This pressure led to the "Economic De-escalation Agreement."

Exaggeration of the Enemy

The Houthis frequently exploit external threats to counter internal dissent. The U.S. and British military presence in the Red Sea and Israeli attacks on Hodeida port have provided the Houthis with powerful propaganda tools regarding these external threats (18). The Houthis adeptly frame these events as proof of external aggression, using them to justify sweeping political and social changes in areas under their control. This allows the group to suppress civil society and target opposition, often labeling them as spies for Western intelligence agencies. These actions align with Houthi's agenda of societal restructuring, fostering a climate of suspicion, and amplifying the perception of external threats while downplaying everything that existed before these changes, framing it as the creation of an enemy and the outside world.

Foreign Relations:

During the Red Sea attacks, the Houthis solidified their position within the "Axis of Resistance," strengthening ties with Iran despite the 2023 Iranian-Saudi agreement. They have also expanded relations with Russia, China, and Egypt, though they have not achieved formal recognition from these countries. These relationships, however, enable regular communication with Beijing, Moscow, and Cairo regarding the security of their ships passing off the coast of Yemen and influencing the United States. Reports suggest that Russia may even provide the Houthis with advanced anti-ship missiles in response to the Biden administration's support for Ukrainian strikes inside Russia with American weapons (19).

Overall, the Houthis' use of external threats as a political tool internally is a common tactic employed by Iran and its proxies in the region. This tactic aims to achieve internal stability and consolidate power but often exacerbates crises and delays the peace process.

The Coming Phase

In the upcoming phase, the Houthis are not seeking to directly control or manage state institutions, especially during the state of emergency caused by the war in their territories. Instead, they aim to establish long-term influence within various government structures. Their goals are to control state institutions, deepen internal and external divisions, delegitimize opposition in their areas of control, suppress any signs of protest, and apply military pressure tactics against external entities to gain international recognition while weakening local opponents.

The success of this strategy to establish the Houthis' state varies based on elite protest and popular support, which typically fluctuates between the rise and decline depending on the political gains the Houthis achieve by interpreting external challenges and the extent of public acceptance based on the challenges the group faces at the time.

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▶ مركز أبعاد للدراسات والبحوث

abaadstudies@gmail.com

info@abaadstudies.org

www.abaadstudies.org

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