

Between Strategic Vacuum and Internal Fragility: The Future of Houthis After the Gaza War

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Introduction

The ceasefire agreement reached in the Gaza Strip in October 2025 marks a significant geopolitical turning point. For months, the Houthi movement had acted under the assumption that it had successfully established itself as a force capable of disrupting global trade routes through its threats to the strategically vital Bab al-Mandab Strait. From this perspective, the group views the current de-escalation as strictly tactical. Houthi leaders have consistently stressed the need to remain in a “constant state of readiness,” signalling both continued threats and preparations to resume military operations.

Their response to the ceasefire was widely characterized as one of “cautious acceptance,” but the group explicitly tied any halt to its maritime and aerial attacks to the full implementation of the agreement and an end to all retaliatory strikes against its forces. In the days preceding the ceasefire, the Houthis intensified their activities, continuing to threaten shipping lanes in the Red Sea and launching ballistic missile and drone attacks against Israel—operations they framed as acts of solidarity with Gaza. These attacks, which began in November 2023, persisted through the conflict. According to Israeli reporting, the Houthis launched 87 ballistic missiles and 40 drones at Israeli targets following the resumption of Israeli military operations in Gaza in March 2025. While most attacks had limited effect, a drone strike on Ramon International Airport in September caused notable casualties.¹

With the loss of their publicly declared justification— “solidarity with Gaza”—the Houthis now face a strategic void that forces them to confront a stark contradiction between their perceived regional achievements and their deep internal weaknesses.

Throughout the conflict, the war functioned as an effective propaganda shield, enabling the group to mask severe governance failures, particularly the public-sector salary crisis that has persisted since 2016. Their internal pressures have only intensified following new restrictions, including the U.S. decision to re-designate the Houthis as a Foreign Terrorist Organization (FTO) in March 2025. This move has made the revival of regional economic arrangements and financial support “less realistic than at any point in recent years.”

1 Israel’s Ramon Airport struck by Houthi drone attack | ABC NEWS https://youtu.be/VDTN_op3cMs

As these internal weaknesses became more apparent, the Houthis shifted their rhetoric from “supporting Gaza” to framing a domestic and regional struggle they now label the “War of Entitlements.” Their central objective is to convert their intangible regional leverage—specifically, their ability to threaten international maritime traffic—into concrete economic gains. This leverage is intended as a tool of coercion against Gulf states, particularly Saudi Arabia, with the aim of extracting financial concessions—presented domestically as necessary to secure salary payments—by threatening key components of Saudi Arabia’s Vision 2030.

To pursue this objective, the Houthis are expected to adopt a strategy of conditional dual escalation—a calibrated approach that pairs sustained maritime pressure with renewed military mobilization toward key internal frontlines such as the western coast, Taiz, and Marib. This external escalation is accompanied by intensified internal repression and mobilization efforts designed to show a continuous sense of control and dominance among their fighters.

However, Saudi Arabia’s renewed drive to reassert regional leadership—particularly in coordination with Washington—is likely to force the Houthis to reassess their threat posture. This dynamic may even push them to signal a willingness to engage with Riyadh in order to secure their continued rule in Sanaa. Such a shift would be aimed at delaying any decisive confrontation that might strip them of the strategic gains they have accumulated since 2014 and potentially unravel their governing structure, putting their territorial control at risk.

Caught between the imperatives of escalation and the incentives for rapprochement, the Houthis now face a significant degree of strategic uncertainty—an ambiguity that this analysis seeks to unpack.

First: Evaluation of the Houthis’ Current Situation (Strengths and Weaknesses)

Evaluating the Houthis’ current situation is essential for understanding their strategic options in the post-Gaza ceasefire phase. The regional escalation that began after the October 7, 2023 war transformed the group from a local actor in a civil conflict into a regional player capable of influencing maritime security and the broader economic landscape.

The group’s real strength lies in its ability to extract asymmetric gains and embed its domestic agenda within the broader framework of the “Axis of Resistance”—a position that starkly contrasts with its deep internal weaknesses in governance and economic management.

1. Strategic Assets: Sources of Power and Positioning

As of October 2025, the Houthis' power rests on three main pillars: a deterrent asymmetric military capability; tight internal security apparatus, and geopolitical leverage gained through Red Sea attacks. ²

• Asymmetric Military Deterrence

The Houthis have demonstrated operational resilience in the face of repeated deterrence campaigns—whether conducted by the Saudi-led coalition or by U.S. and British forces (including Operations Prosperity Guardian, Poseidon, and the most recent Rough Rider) ³. International airstrikes have not succeeded in completely destroying the Houthi arsenal of drones and long-range missiles

This persistence is tied to the group's Iran-supported model of local assembly, which combines smuggled components—such as drone engines and guidance systems—with locally manufactured industrial materials ⁴. This logistical model, based on “smuggling, assembly, and dispersal”, makes it extremely difficult to neutralize their strike capabilities through conventional airpower. ⁵

The group also maintains offensive systems that include medium-range ballistic missiles (such as *Burkan-3/Zulfiqar* and *Falasteen-1/2* series), with ranges reaching up to 2,000 km—placing targets in Israel and every point in the Gulf within reach. In addition, they have developed cruise missiles and loitering munitions capable of posing sustained threats to ships and land-based targets.

² After the Gaza cease-fire, what's next for the Houthis?

<https://www.atlanticcouncil.org/blogs/menasource/after-the-gaza-cease-fire-whats-next-for-the-houthis/>

A Fragile but Enduring Truce in Yemen

<https://arabcenterdc.org/resource/a-fragile-but-enduring-truce-in-yemen/>

³ A Red Sea Hall of mirrors: US and Houthi statements vs. actions

<https://acleddata.com/report/red-sea-hall-mirrors-us-and-houthi-statements-vs-actions>

⁴ Yemen's “Southern Hezbollah”: Implications of Houthi Missile and Drone Improvements

<https://www.washingtoninstitute.org/policy-analysis/yemens-southern-hezbollah-implications-houthi-missile-and-drone-improvements>

⁵ A Red Sea Hall of mirrors: US and Houthi statements vs. actions - ACLED, <https://acleddata.com/report/red-sea-hall-mirrors-us-and-houthi-statements-vs-actions>

The Houthis' strategy hinges on "asymmetric deterrence"⁶: they do not need frequent attacks, but only a limited number of highly effective "golden strikes" to cause massive disruption to global shipping and trigger prolonged regional crises. Their advantage is compounded by the fact that the cost of Western defense (expensive interceptor missiles) far exceeds the low cost of Houthi offensive weapons—producing an economically advantageous asymmetric contest that drains their adversaries.

Moreover, the group has strengthened its maritime warfare capabilities through the deployment of unmanned surface and subsurface vessels (USVs/UUVs). This enhances their ability to treat the Bab al-Mandab Strait as an Anti-Access/Area-Denial (A2/AD) zone under their influence in the event of future confrontations or retaliatory strikes.

• Internal Control and the Consolidation of Repressive rule

Despite severe economic pressures, the Houthis have succeeded in consolidating their grip over northern Yemen through a combination of coercive and militarized governance tools. They maintain effective control over the capital, Sana'a, and key government institutions—including ministries and the Central Bank in Sana'a—where loyalists, particularly members of the Hashemite elite (the Sada), are placed in senior positions to secure full control over policymaking and financial flows.

The group also relies on continuous mobilization campaigns—such as the "Al-Aqsa Flood training cycles"—as a central mechanism for militarizing society, embedding a theocratic doctrine known as the "faith identity," and institutionalizing absolute loyalty to the revolutionary leadership. The group claims to have trained more than one million individuals in two years, a figure used to project military readiness and reinforce domestic control.

Systematic repression is another key strategy implemented by the group. Extensive waves of arrests targeting activists, civil servants, and humanitarian workers—often under allegations of "espionage for the American-Israeli network"—serve to shut down civic space entirely. This strategy ensures that any potential opposition is neutralized and that the group maintains tight control over society, resources, and information through coercion and surveillance.

6 Neutralizing The Houthi Threat: A Strategic Blueprint for The Red Sea and Beyond – Analysis - Eurasia Review,
<https://www.eurasiareview.com-18102025/neutralizing-the-houthi-threat-a-strategic-blueprint-for-the-red-sea-and-beyond-analysis/>

• Geopolitical Influence within the “Axis of Resistance”

The Houthis' integration into the Iran-led “Axis of Resistance” represents one of their most consequential strategic gains—an alignment that was further reinforced during and after the Gaza war. By late 2023, the group had emerged as the most assertive and operationally active actor within the axis, particularly as other affiliated organizations came under intense pressure. This positioning has provided the Houthis not only with regional political legitimacy but also with broad popular resonance across the Arab and Islamic worlds.

The movement has leveraged the regional conflict to translate its ideological slogan—“Death to America, Death to Israel”—into concrete military actions, bolstering its credibility among supporters and projecting itself externally as a defender of the Palestinian cause. Its relationship with Tehran—extending well beyond the conventional proxy model into a deeper strategic partnership—ensures a sustained flow of expertise, technologies, and weapons essential for preserving the Houthis' regional deterrence capabilities.

Recent, though unconfirmed, reports indicate the renewed presence of Abdolreza Shahlaei, commander of the Yemen division of Iran's Quds Force, in Sana'a. His purported reemergence suggests an operational role aligned with Tehran's broader strategy: preventing a new military confrontation with Iran and reviving pathways toward renewed nuclear negotiations.

For Iran, the Houthis represent a critical remaining instrument of influence in a region where its conventional proxies have weakened—amid Hezbollah's declining capacity in Lebanon and the erosion of its long-time ally Bashar al-Assad's position in Syria. In this context, Iran aims to maintain the Houthis as a disruptive force capable of destabilizing regional adversaries when necessary.

2. Internal Constraints and Weaknesses

Despite their military achievements and expanded regional gains, the Houthis face deep structural weakness that continually threaten the stability of their rule—especially as the momentum generated by the Gaza war fades.

• Economic Collapse and the Salary Crisis

The internal economic crisis—exacerbated by the Houthis' own governance failures—remains the most serious threat to their legitimacy. The group faces a severe revenue shortfall due to the shutdown of ports and airports. More critically, the suspension of the Saudi-brokered agreement before 7 October 2023, which would have funded public sector salaries for a year, has deprived Houthi-controlled areas of essential financial resources.

The U.S. redesignation of the Houthis as a Foreign Terrorist Organization (FTO) in March 2025 further tightened financial restrictions and made any revival of the Saudi salary agreement—requiring dollar-based funding— “more unrealistic than ever.” This designation disrupts commercial and financial transfers and has driven companies and humanitarian organizations to scale back or withdraw, worsening an already dire humanitarian situation.⁷

The continued failure to pay salaries and the collapse of basic services—which sparked growing protests before the Gaza war—have pushed the Houthis toward ‘economic coercion,’ using external escalation as their primary means of securing resources and avoiding accountability.

• International Isolation and Dependence on External Support

Despite their geopolitical gains, the Houthis remain internationally isolated and heavily dependent on foreign support networks. Their ability to sustain offensive operations hinges on a steady flow of smuggled components used in developing advanced weapons—supplied by Iran and, to a lesser extent, China and Russia. This dependence renders their military capabilities exposed to increasing maritime blockades in the Red Sea and Arabian Sea, as well as sanctions targeting Iranian and Chinese supply chains and financing.

The group also exploits bureaucratic restrictions and the detention of UN and humanitarian workers as tools of political leverage. These practices have led to the suspension of critical programs—including those run by the World Food Programme, UNICEF, and the World Health Organization—and have contributed to a catastrophic humanitarian situation, with more than 19.5 million Yemenis requiring assistance. As a result, discontent continues to grow within Houthi-controlled areas.⁸

• The Post-Gaza “Strategic Vacuum”

The Gaza ceasefire presents the Houthis with both an ideological and strategic dilemma. The Gaza war had provided an “effective propaganda shield,” enabling the group to reinforce its internal legitimacy and suppress dissent under the pretext of “fighting the nation’s battle.” With active hostilities now halted, this justification is rapidly eroding, shifting public attention back to the deepening structural crises—salaries, services, and economic decline—that the Houthis failed to resolve even before the war.

⁷ Delivering Yemen from Dual Peril <https://www.crisisgroup.org/middle-east-north-africa/yemen/delivering-yemen-dual-peril>

⁸ monitor.com/en/Details/ArtMID/908/ArticleID/154828

Additionally, Israeli strikes that targeted senior political and military leaders—including the de facto prime minister and chief of staff in Sana'a in August 2025—have exposed serious “external security breaches” that undermine the group’s internal cohesion. This has forced the Houthis into intensified “security purges,” while also revealing deep suspicion and fragmentation within the group’s leadership ranks.

Second: Future Strategic Trajectories of the Houthi Group Post-Gaza Truce Phase

By October 2025—two years after the Gaza war—the Houthis find themselves in a contradictory strategic position: they possess significant deterrent military capabilities and unprecedented regional geopolitical influence (intangible gains), while simultaneously facing financial insolvency, a governance crisis, and eroding internal legitimacy (tangible losses).

In this context, the group’s primary post-Gaza objective has become the conversion of its regional deterrence into tangible economic leverage. The Houthis aim to use maritime threats as a bargaining tool—against Gulf States, particularly Saudi Arabia—to extract financial concessions (namely, salary payments) to mitigate internal weakness and prevent social unrest. This tension between external strength and internal fragility now shapes all of the group’s future strategic choices.

Following the Gaza ceasefire, the group’s narrative and political positioning shifted tactically: the discourse moved from ideological “support for Gaza” to what senior figure Mahdi Al-Mashat,⁹ head of the Supreme Political Council, described as the “battle to reclaim rights” or “peace entitlements.” These demands include salary payments, reopening Sana’a airport, and resuming activity at Hodeida port—areas heavily impacted by the U.S. terrorism designation.¹⁰ The emerging strategy seeks to balance calibrated external escalation with the internal imperatives of sustaining an authoritarian mode of rule.

1. Internal Strategy: Tightening Control and Intensifying Repression amid Economic Collapse

With the fading of Gaza as a propaganda cause, the Houthis face an unprecedented “strategic vacuum” that refocuses attention on their catastrophic failures in governance and their aid-dependent economic model.

⁹ Al-Mashat calls on Saudi Arabia to fulfill the requirements of peace and affirms: We will continue defending our country and expelling every occupier.”
<https://tn.ai/3422856>

¹⁰ After the Gaza cease-fire, what’s next for the Houthis? <https://www.atlanticcouncil.org/blogs/menasource/after-the-gaza-cease-fire-whats-next-for-the-houthis/>

The group's first response to the loss of this regional cover was not to address the economic crisis, but rather to escalate domestic repression under the banner of countering “spies” and warning of an alleged Israeli-American war conducted through “local agents.”¹¹ The group has launched sweeping arrest campaigns across areas under its control, targeting UN staff, NGO workers, and civil society activists, accusing them of belonging to an “American-Israeli espionage network.” This coercive approach serves two purposes: completely shutting down civic space to entrench authoritarian control, and using detainees as “bargaining chips” in negotiations, especially regarding UN-affiliated detainees.

At the same time, the Houthis continue their mass-mobilization programs under the label of “Al-Aqsa Flood Courses.” The narrative has clearly shifted from supporting Gaza to preparing for confrontation on the “frontlines of defending the homeland”—a reference to internal fronts. This shift signals a readiness to reopen full-scale civil-war fronts—particularly in Taiz, Marib, and the western coast—either to secure stronger negotiating positions or to settle scores with domestic rivals under the pretext of fighting “traitors.”¹²

Confronting Economic Collapse (Currency Printing and Escalation against Saudi Arabia)

The escalating economic crisis and the suspension of public-sector salaries since 2016 have become the most acute existential threat facing the Houthis. Their inability to provide even minimal public services—undermining what is often described as “performance legitimacy”—has compelled the group to compensate by amplifying its narrative of “resistance legitimacy” over the past two years.

The financial rift between Sana’a and Aden has further deepened the crisis. The Houthis’ decision to print a new currency in July 2025 without coordination sharply intensified monetary fragmentation. This development coincided with major banks shifting their central operations to Aden—an alarming setback for a movement already struggling with international financial isolation following Washington’s re-designation of the group as a Foreign Terrorist Organization earlier that year.

11 Houthi media from 7 October 2025 to early November 2025

12 Houthi media from 7 October 2025 to early November 2025

In response, the Houthis are seeking to 'blackmail' Saudi Arabia to revive the stalled roadmap, which included a mechanism for paying salaries in Houthi-controlled territories. Their escalatory narrative serves two purposes: pressuring Riyadh to meet financial demands (salary payments and a loosening of U.S. sanctions), and diverting growing public anger sparked by poverty and deprivation away from the group and toward Saudi Arabia. These threats have increasingly referenced potential strikes against vital Saudi infrastructure—including Vision 2030-related facilities and Aramco assets.¹³

At the same time, the UAE has adopted a more cautious posture to avoid direct confrontation, especially after normalizing relations with Israel. The Houthis believe that Abu Dhabi, through a Yemeni intelligence network it developed in southern and western Yemen and which they claim is linked to the family of former president Ali Abdullah Saleh, was responsible for leaking sensitive intelligence to Israel.¹⁴

2. Regional Strategy: Sustaining Deterrence and Expanding Alliances

The Houthis have successfully entrenched their status as a regional deterrent force. With the Gaza conflict now subsiding, the confrontation between the Houthis and the "Zionist entity" has effectively become a stand-alone struggle—no longer dependent on active hostilities in Gaza.

On 30 October 2025, Israel's defense minister warned: "This is not over. The Houthis will pay a heavy price for their attempts to harm Israel's home front." Prime Minister Benjamin Netanyahu echoed this on 1 November, stating: "We will do whatever is necessary to eliminate this threat."¹⁵

• Continued Red Sea Role and Threats toward Israel

While the Houthis currently observe a conditional and temporary de-escalation in the Red Sea, they insist on retaining the right to resume attacks immediately if the Gaza truce collapses or the "siege" on the Strip continues. Over the past two years, they have effectively turned the Bab al-Mandab strait into an Anti-Access/Area Denial (A2/AD) zone. Between October 2023 and May 2024, their actions disrupted an estimated one trillion dollars' worth of goods and caused container traffic to drop by 90%.

13 Live watching of Al-Masirah TV's main news at 8:30 PM on 15/10/2025

14 A senior security official briefed on Houthi discussions told the Abaad Center on 10 October 2025 via an encrypted messaging application.

15 Houthis respond to Netanyahu: 'We are ready to fight

<https://www.yemenmonitor.com/Details/ArtMID/908/ArticleID154347/>

Netanyahu Elevates the Houthi Threat :A' Minor Nuisance' Conceals an Existential Danger <https://www.yemenmonitor.com/Details/ArtMID/908/ArticleID154345>

The Houthis continue to frame their agenda around a long-term ideological commitment to defeating Israel. They have demonstrated an ability to conduct “golden strikes,” including the May 2025 attack on Ben Gurion Airport—which caused casualties—and drone strikes on Ramon Airport and Eilat in September 2025. They are also expanding their long-range attack capabilities with systems such as the Palestine-2 ballistic missile (range: 2,000 km), the Quds-2 cruise missile, and new loitering munitions including the Samad-4 and Yafa.

Israelis view the Houthi group as a strategic threat in any future regional confrontation involving Iran or Hezbollah. As a result, renewed Israeli strikes against Houthi targets remain highly plausible even under a long-term Gaza ceasefire.

Israeli decision-makers increasingly argue that the Houthi threat “must be eliminated,” and that targeted strikes offer an effective deterrent. The operations carried out in August and September 2025—which succeeded in penetrating the Houthis’ upper leadership and assassinating key figures, including the group’s “prime minister” and chief of staff—represent an unprecedented threat to the group’s internal cohesion.

New Alliances and Regional Integration

At the same time, the Houthis have emerged as the most influential actor within the so-called “Axis of Resistance”, especially after the setbacks suffered by other allies in 2024—such as Hezbollah and the Assad regime. Their engagement now includes direct coordination with Hamas and other Palestinian factions.

The Houthis have also attempted to cultivate ties with non-state actors in the Horn of Africa. Reports indicate cooperation between the Houthis and Somali pirates in weapons and oil smuggling, as well as the sharing of intelligence on maritime traffic.¹⁶ Additional reporting points to growing links between the Houthis and Somalia’s Al-Shabaab, with the latter assisting Houthi-aligned groups in piracy-related activities.¹⁷

3. Iranian Support and the Role of International Enablers (Russia and China)

Houthi behavior in the post-Gaza phase cannot be separated from Iran’s strategic calculus. It also appears closely aligned with Russian and Chinese interests in the Middle East, North Africa, and the broader geopolitical dynamics of the Red Sea and Indian Ocean regions.

¹⁶ The Deepening Red Sea Shipping Crisis: Impacts and Outlook1 <https://documents1.worldbank.org/curated/en/099253002102539789/pdf/IDU10b8b59671dbc814cfc19c4a1299ff54854ba.pdf>

¹⁷ Expanding Al Shabaab–Houthi Ties Escalate Security Threats to Red Sea Region <https://africacenter.org/spotlight/al-shabaab-houthi-security-red-sea/>

Endless Iranian Support as a Tool of Indirect Pressure

The Iranian leadership views the Houthis as a core pillar of its “forward defense” doctrine—using proxy forces to wage asymmetric warfare. Tehran continues to provide military assistance, including supplies and the technical know-how needed for local assembly, ensuring that the Houthis remain a “reserve military threat” that can be activated rapidly when needed.

Recent Western strikes have failed to permanently degrade Houthi capabilities. This is largely because their production model relies on Iranian-supported local assembly, allowing them to regenerate systems quickly and shift to platforms that are simpler and more adaptable—such as short-range ballistic missiles, naval drones, and UAVs.

China and Russia as “Enablers of Disruption”

Reports suggest that China has increasingly become a “disruption enabler.” Chinese entities are said to supply the Houthis with critical components for drone manufacturing and advanced propulsion technologies.

Some Chinese satellite companies have also provided geospatial intelligence (targeting data) that supports Houthi operations against Red Sea shipping. 18

Russia, for its part, is exploiting maritime instability to strengthen its alignment with Iran and promote alternative logistics corridors—such as the North–South Transport Corridor and the broader Eurasian route. Additional reporting indicates that Moscow has supplied targeting information to assist the Houthis in striking global shipping routes. 19

Most recently, both China and Russia abstained from voting on a UN Security Council resolution to extend Yemen-related sanctions for another year under Resolution 2140, maintaining asset blocks and travel bans on designated entities, and renewing the mandate of the Panel of Experts through 15 December 2026.

18 China’s Red Sea Play: From Security Free-Rider to Disruption Enabler

19 Russia Provided Targeting Data for Houthi Assault on Global Shipping

<https://www.wsj.com/world/russia-provided-targeting-data-for-houthi-assault-on-global-shipping-eabc-2c2b>

Third: Future Scenario Matrix for the Houthis

Given the contradiction between their expanding regional influence and their internal fragility, the Houthis' strategic trajectory is likely to follow one of three main pathways:

Scenario One: Sustained Escalation "War of Entitlements"

This scenario centers on maintaining maritime deterrence and carrying out attacks against Gulf States as a tool of regional leverage—using pressure and threat to extract economic concessions—while simultaneously tightening domestic repression. Three drivers push the group toward this path:

1. The Foreign Terrorist Organization (FTO) designation, which blocks progress on the roadmap with Saudi Arabia and incentivizes the Houthis to use force as a means of generating revenue.
2. A widening strategic vacuum, which compels them to overemphasize external confrontation to mask their internal governance failures.
3. Military adaptability, grounded in the inability of Western pressure to neutralize their capabilities, reinforcing their confidence that they can weather further strikes.

Key warning signs of group toward this scenario include renewed threats or attacks on Gulf infrastructure, continued mass mobilization through reframing "Operation al-Aqsa Flood" into a domestic "national defense" narrative, and unrelenting internal repression—including arrests of UN staff and domestic critics.

This escalation scenario represents the most likely trajectory for the Houthis in the months following the Gaza ceasefire. It is driven by a core strategic imperative: transforming their regional leverage into internal financial and political legitimacy. To achieve this, the group is expected to maintain a calibrated level of tension—high enough to exert pressure but deliberately kept below the threshold of full-scale war—in order to avoid triggering a potentially devastating Western military response.

Under this pathway, the Houthis are likely to employ an economic coercion strategy against Gulf States. With the Gaza momentum fading, Yemen's internal economic collapse—especially the unresolved salary crisis—has become their most serious existential threat. Their escalation aims to pressure Saudi Arabia into reviving the frozen roadmap, which included salary payments.

The Houthis' "War of Entitlements" narrative relies on sharp, confrontational rhetoric portraying the Gulf as a "direct ideological enemy" and a "traitorous Israeli proxy." The objective is twofold:

- Domestically: Redirect popular frustration and resentment over poverty and unpaid salaries toward Saudi Arabia.
- Regionally: Threaten Saudi Arabia's critical infrastructure (including Vision 2030 projects) to push Riyadh toward a narrow security deal focused on border arrangements, sidelining its Yemeni allies in the internationally recognized government. The strategy also seeks to pressure Saudi Arabia into lobbying Washington for exemptions that ease financial restrictions on Houthi-controlled territories and reopen Sana'a Airport and Hodeida Port.

In military terms, the Houthis will adopt a "calibrated deterrence" posture built around high-visibility naval displays. They may temporarily pause large-scale hostilities, but will maintain the constant threat of a rapid return to escalation. Available evidence suggests they are willing to broaden their strike range (potentially into the Mediterranean) as a bargaining tool. With Iranian and Chinese technical support, the Houthis have the capability to sustain precision strikes relying on "golden strikes," keeping the Red Sea as a continuous pressure point.

On the other hand, Saudi Arabia's renewed effort to reassert regional leadership—particularly through closer coordination with Washington—may eventually compel the Houthis to scale back their threats in order to preserve their rule in Sana'a. Entering a decisive confrontation now risks losing everything they have gained since 2014. Such a confrontation would likely break their hold on power and cost them significant territorial control. If this scenario materializes, it would create opportunities for the internationally recognized government to make military gains on the ground.

Scenario Two: A Return to the Political/Negotiation path, (Likelihood: Moderate)

This scenario carries a moderate probability. It envisions the Houthis shifting toward a political role as a security partner—agreeing to de-escalation in the Red Sea and along the Saudi border—in exchange for a comprehensive economic package inside their territories. The key driver is the potential success of regional pressure, particularly from Saudi Arabia, in leveraging the Houthis' severe economic stagnation to extract security concessions.

In theory, this could also be tied to incentives such as lifting the FTO designation—though such an outcome remains difficult.

Indicators of this scenario would include a noticeable softening in the rhetoric of senior Houthi leaders (including Abdulmalik al-Houthi), the immediate release of detained UN staff, and the establishment of a mechanism—possibly through a third party—for paying public-sector salaries, even partially. Another key sign would be the reopening of Sana'a International Airport, with authorization for a new carrier or an international company to operate flights from the capital.

This scenario becomes more plausible if mediation efforts—especially by Oman—successfully leverage the Houthis' acute economic distress to secure meaningful security concessions, combined with Saudi Arabia's interest in avoiding a new escalation. The Houthis' immediate tactical priority is economic relief, particularly salary payments. If Riyadh offers a "conditional security-for-economy" arrangement, the group may accept a full halt to Red Sea attacks as a confidence-building measure and move toward negotiations with their national opponents.

Critical indicators include the release of detained UN employees and agreement on a partial salary-payment mechanism. However, the U.S. terrorist designation remains a major obstacle to realizing this outcome.

The Houthis have a long history of leveraging ceasefires to regroup, extract concessions, and prepare for subsequent rounds of conflict. Consequently, even if this scenario materializes, the risk of renewed escalation—particularly against the internationally recognized government—remains high. This risk is especially pronounced if Riyadh and Washington reach an agreement with the group without involving the government.

This scenario represents a major strategic loss for the legitimate government, potentially delaying any prospect of retaking Sana'a.

Scenario Three: Internal Retrenchment and Decline — (Likelihood: Low)

This is the least likely scenario. It assumes that the Houthis are forced to shift inward—abandoning their regional role and focusing solely on internal repression and regime survival as their operational capacity becomes overstretched.

The drivers include a significant surge in public anger—possibly rising to open revolt—due to the long-term failure to pay salaries and worsening humanitarian conditions, or a successful Israeli strike that creates a severe leadership vacuum (as occurred after the killing of the chief of staff).

Indicators would include a visible shift in leadership patterns, with high-profile military hawks (such as Yusuf al-Madani, appointed chief of staff after al-Ghamari) receding into the background while administrative or political figures take center stage. Another sign would be redirecting the mass recruits produced by the “Al-Aqsa Flood” mobilization courses away from external fronts and into internal suppression, coupled with a loss of capability to conduct maritime attacks and an inability to secure any meaningful economic gains.

This scenario is the worst possible outcome for the Houthis. It strips them of external escalation options and forces them to confront the challenges of maintaining a coercive governing system with diminishing resources. Yet certain structural factors work against this trajectory: Iran’s logistical flexibility and its ability to rapidly replenish Houthi capabilities make it extremely difficult to degrade the group’s deterrent capacity to the point of collapse. Even if forced to turn inward, the Houthis would likely resort to intensified repression and superficial internal restructuring rather than surrender power—leaving Yemen trapped in a “no war, no peace” dynamic with continued deterioration.

Nevertheless, this scenario is the one most likely to trigger a popular uprising against the group, as public despair in Houthi-controlled areas reaches breaking point. However, such an uprising would not necessarily bring stability to Yemen in the near term.

Recommendations

The Gaza war accelerated the transformation of the Houthis from a local insurgent group into a regional geopolitical actor whose maritime deterrence capabilities have become an undeniable reality. The group is now working to convert its leverage in the Red Sea into lasting political and domestic gains.

The central challenge for the international community is that unilateral military responses have failed to strategically deter the group, while U.S. sanctions have produced the opposite of their intended effect—deepening the Houthis' dependence on coercive violence as an economic pressure tool. Meanwhile, the internationally recognized government remains unable to capitalize on the situation due to fragmentation, weak cohesion within the Presidential Leadership Council, and a fractured military landscape.

- **Refocusing international engagement on Yemen's internal crisis**

The United Nations and the wider international community should shift their attention toward Yemen's internal structural challenges rather than viewing the country solely through the prism of the Gaza conflict. Such a shift would undercut the Houthis' ability to leverage the regional crisis for political advantage and help redirect support toward strengthening governance models in areas controlled by the Presidential Leadership Council. International actors should also highlight the stark contrast between the Houthis' regional rhetoric—framed around solidarity with Palestine—and the repressive rule and economic failure characterizing their areas of control. Pressure must be applied to end the use of the humanitarian file as a political bargaining tool, including imposing targeted sanctions on leaders responsible for the detention of UN staff.

- **Moving beyond unilateral military strikes**

Western powers should move away from unilateral military action that targets easily replaceable field assets. Instead, they should adopt a comprehensive political and intelligence-driven strategy aimed at reinforcing the role of the internationally recognized government as the primary actor capable of pursuing decisive military pressure to dismantle Houthi rule.

- **Leveraging economic pressure in Gulf diplomacy**

Gulf States—particularly Saudi Arabia—should make full use of the Houthis' acute economic weaknesses to secure meaningful security and political concessions. Any financial assistance or salary-payment arrangements should be structured as a conditional security and political exchange, tied to several key requirements: a complete halt to cross-border and Red Sea attacks, the immediate release of detainees, and a formal agreement with the internationally recognized government ensuring that salaries are disbursed through its insti-

tutions rather than Houthi-controlled financial bodies. Such a framework would create the foundation for gradually dismantling the Houthis' authority. If the Houthis reject this strategy—as is likely—Gulf States should strengthen and support the forces of the legitimate government to establish new facts on the ground. This is essential to prevent the Houthis from maintaining control over the sources of power that have enabled them to threaten regional and international security, foremost among them their grip on the capital, Sana'a.



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