

# Instability in Iraq and Yemen: Common Roots and Potential Remedies



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# Abstract

This report looks into the common reasons for the current conflicts in Iraq and Yemen, and presents ways in which the conflict can be resolved. Specifically, it notes the role Iran has had in negatively affecting both countries, through both direct and indirect support for nefarious state and non-state actors. It also focuses on how Iran is spreading its malign influence in the region, how it has positioned itself to benefit from instability and strife in neighboring states, and has an active hand in creating said instability. The report looks at the theory of state capture, and expands it to 'external state capture', which it argues that Iran is attempting in both Yemen and Iraq. The report also focuses on Iran's wish to expand the Shia Crescent. It highlights the vitality of regional stability for the continued progress and prosperity of Gulf states, and how the Gulf states have attempted to play a stabilizing role in the region in the face of Iranian and Iranian-backed aggression.

# Introduction

For the Gulf States there is escalating concern regarding the increasingly unstable political, social and economic situations in Iraq and Yemen. Whilst the wish for stability extends internationally, the proximity of Iraq and Yemen to the Kingdom of Bahrain and her neighbors means that a return to stability is an absolute priority. This report will aim to diagnose the issues in both countries and propose solutions to a stable enduring peace. It will do so by initially discussing the historical conflict, especially in the context of rising sectarianism in both countries. Secondly, it will highlight the significance of stability, and why the Gulf states require it. Thirdly, it will show how one state actor is poised to benefit from instability as per its desire to expand. In the fourth part, the report will discuss how this state acts on its expansionist aims. Finally, it will analyze how the Gulf states, in conjunction with the international community, propose to bring stability to the nations of Iraq and Yemen. As the breadth of this topic is so wide, it will only focus on the aforementioned aspects.

## Part one:

### The background of the Iraqi and Yemeni crises

The current crises in Iraq and Yemen cannot be understood without their historical contexts. The history presented here is not exhaustive. The scope of this section will focus on the history of sectarianism in Iraq and Yemen, and the conflicts that have led to the present situation.

Yemen is home to two main religious groups, Zaydi Shia Muslims in the North, and Sunni Muslims in the South. Nevertheless, unlike other countries in the region, Yemeni political discourse over the past four decades has not been characterized in sectarian terms. The presence of leftist and nationalist parties in the Yemeni political spectrum has ensured that lines were drawn on economic, social and political lines. Words such as takferi and daeshites (derogatory terms aimed at Sunnis) and Persians (used to refer to Shias), whilst prevalent in places dogged by sectarian conflict, namely Iraq and Syria, had not existed in Yemen. The presence of two Yemeni states during the Cold War era, namely Soviet allied South Yemen and Western allied North Yemen, is also a testament to the non-sectarian nature of Yemeni politics.

The fact that sectarianism had never officially entered the mainstream of Yemeni politics does not mean that at times, it was not simmering underneath. During the 1967-68 Yemeni civil war, the Republicans fought the Royalists, who supported the government of a Zaydi Imam who ruled North Yemen as an absolute monarch.<sup>1</sup> Whilst the royalist side were almost exclusively Zaydi, the Republicans were compromised of both sects, as well as a small number of Yemenite

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1 Al-Muslimi, 2015, 'How Sunni-Shia Sectarianism Is Poisoning Yemen' Carnegie Middle East Center, <http://carnegie-mec.org/diwan/62375> last accessed August 28, 2018

Christians and Jews. Following the defeat of the Republicans, they split into two sides, based on their sectarian identity, and engaged in a power struggle won by the Zaydi faction.

The importance of this event is that it began setting the sectarian fissures that are being exploited in the present day to create an almost exclusively sectarian conflict.<sup>2</sup> Post 2011 events in Yemen, which correspond directly to the present conflict will be dealt with in Part Five.

In the decades that followed up to the 2011 civil war, sectarianism rarely entered the political mainstream. The Shia sectarian Haqq Party, for example, occupied only two seats in united Yemen's first parliament. One of the seats were filled by Hussein al-Houthi, following the teachings of his fundamentalist father. Al-Houthi would later create and lead the Houthi movement, which in 2014 took over much of Yemen's territory. Until then sectarian politics were limited to petty scuffles in the rural and far-away Saada Governorate. The sectarian struggle there was on a miniature scale, yet foretold the lines of the present day conflict. The question that this report will seek to answer in Part Five is how did an external state and rebel group exploit underlying sectarian tensions to divide the country, and how did a previously sidelined group of fundamentalist Shia grow into a movement that deprived large swathes of Yemen's populace from their freedom, independence and right to self-determination.

In terms of the Iraqi historical context, the report will focus on the deterioration of security within the state following the 2003 US invasion. It is important that events such as the rise of the Islamic State (ISIS) and the Iran-Iraq war are understood, and while this report will cover some aspects of this, it will not do so exhaustively.

There can be no doubt that pre-2003 Iraq had unenviably low living standards. However from a strictly security perspective, the security and humanitarian situation in Iraq has severely deteriorated since the invasion. Basic metrics recount their own story. Between March 2003 and June 2006, the Lancet survey recorded 601,027 violent deaths. On August 14, 2007 alone, 796 Yazidis were killed in truck bombings targeting their communities. Between 1998 and 2014, Iraq's Human Development Index rating has remained stagnant as 'Medium Human Development', even though in 1998 Iraq was under international sanctions which were lifted after the war.<sup>3</sup>

Indicators such as the under-five infant mortality rate remain high at 37.5 deaths per 1,000 live births.<sup>4</sup> Even whilst the country has experienced a growth in GDP per capita of 271% since the invasion,<sup>5</sup> this has not translated into higher development indicators- for example, the aforementioned infant mortality rate has only decreased by 10% in the same period.<sup>6</sup>

Between June 2003 and 2010, at least 1,003 suicide bombings occurred in Iraq, killing 12,284 civilians.<sup>7</sup> Prior to the war, suicide bombings and other terrorist activity aimed at civilians were unheard of.

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2 Brandt, Marika 'Tribes and Politics in Yemen: A History of the Houthi Conflict' (Oxford: Oxford University Press, 2017) is suitable for further reading on the background of the current conflict.

3 United Nations Development Program, 2016 (United Nations Human Development Index Report)

4 Central Intelligence Agency, World Factbook, country profile, Iraq, available at <https://www.cia.gov/library/publications/the-world-factbook/geos/iz.html>

5 Ibid.

6 Ibid.

7 Iraq Body Count Database, 2011, <https://www.iraqbodycount.org/database/>, Last Accessed August 29, 2018.

Since 2003, Iraq has become a thoroughfare and festering ground for terrorists. During this period the Iraqi state has struggled to control its borders or uphold law and order. People constantly fear becoming victims of terrorist attacks and sectarian death squads.

Within Iraq, on a human level, mixed neighborhoods are infrequent. There are firsthand accounts of Iraqis being targeted by roadblocks and death squads exclusively based on observable indicators of their sect.<sup>8</sup> The violence that then erupted onto the streets of Iraq was highly sectarian in nature, and stretched down to grassroots level. Iraq began an uncontrolled descent into violence, with extremist groups from all sects exploding onto the scene. It is estimated that the average homicide rate in Baghdad averaged at 33 deaths per day in 2006.<sup>9</sup>

Iraq's descent into violence created a vacuum, one that was filled by a myriad of groups. A lot of these, such as the Badr Organization, date back to the Iran-Iraq war of 1988, whilst radicals in the shape of Al Qaeda also began committing large scale massacres. Within three years, Iraq had become highly unstable. It has turned into a breeding ground for terrorist groups from across the spectrum.

## Part Two:

### Stability and its significance

Stability is the foundation of any prosperous state, and its definition and why the Gulf states value it so highly will now be addressed. Due to the multitude of stability concepts in circulation, it is useful to look at three concepts that work alongside each other to contribute to security and maintain stability. They can be categorized as constancy, robustness and resilience.<sup>10</sup> Constancy can be translated to 'standing firm'.<sup>11</sup> It establishes whether, over a period of time a system can remain unchanged or changed to only a minimal measured degree.<sup>12</sup> Robustness is defined as 'the ability to withstand or overcome adverse conditions or rigorous testing'.<sup>13</sup> It is the flexibility of a system to stand in place when exposed to external disturbance and one that is also pre-emptive of possible disruption. Resilience is defined as 'the capacity to recover quickly

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8 Thurber, 'From Coexistence to Cleansing: The Rise of Sectarian Violence in Baghdad, 2003-2007' The Fletcher School- Al Nakhlah-Tufts University, [http://fletcher.tufts.edu/~media/Fletcher/Microsites/al%20Nakhlah/archives/Spring2011/Ches\\_Thurber.pdf](http://fletcher.tufts.edu/~media/Fletcher/Microsites/al%20Nakhlah/archives/Spring2011/Ches_Thurber.pdf) , Last accessed August 29, 2018.

9 Dodge, Toby (2009) Coming face to face with bloody reality: Liberal common sense and the ideological failure of the Bush doctrine in Iraq. *International Politics* 46:2-3, pages 253-275.

10 O Hansson, and G Helgesson. What Is Stability?: *Synthese*, vol. 136, no. 2, 2003, pp. 219-235. JSTOR, JSTOR, [www.jstor.org/stable/20118329](http://www.jstor.org/stable/20118329).

11 Ibid.

12 Orians, G. (1975) "Diversity, Stability, and Maturity in Natural Ecosystems." In W. H. van Dobben and R. H. Lowe-McConnel, eds., *Unifying Concepts in Ecology*, 139- 50. The Hague, W. Junk.

13 Hansson, et. al.



from difficulties; toughness'.<sup>14</sup> This example of stability refers to the capabilities of a system to recover back to, or near to, its original position after experiencing external stresses.<sup>15</sup> Keeping these definitions in mind will serve one well when the report moves to discuss instability in Iraq and Yemen, especially how it has fostered and increased in both cases.

The Gulf states require and cherish stability, both within their borders and in the broader region and world. In recent years, the Gulf states have taken large strides in developing their nations. For example, the Kingdom of Bahrain has grown its nominal GDP from \$9.06 billion in 2000 to \$31.86 billion in 2016. The United Arab Emirates has also grown, from \$103.4 billion in 2000 to \$348.7 billion in 2016, and Saudi Arabia from \$189 billion to \$646 billion during the same timeframe.<sup>16</sup> This economic growth is a factor that allows the Gulf states to develop their nations, providing high quality essential services such as: education, health care, housing, infrastructure and increased job opportunities. Stability ensures the well-being and safety of our populations. This allows for a strong, fruitful, patriotic society that contributes towards building the nation.

For the above reasons, and wellbeing of the peoples of Iraq and Yemen, the Gulf has always supported and prioritized stability in those nations. The attempts made by the Kingdom of Saudi Arabia to mediate the Yemeni crisis of 2011, alongside the billions of dollars in aid provided to the Yemeni state are all testament to this, as is the National Dialogue Conference of 2013-14, held as part of the Gulf Cooperation Council Initiative.

In terms of trade, the Gulf countries would also like to cultivate a strong trading relationship between itself and its neighbors. Total trade between Iraq and the Gulf states in 2016 stood at \$6.114 billion, but the potential to increase this lies with stability.<sup>17</sup> With it, the opportunity to increase trade to the benefits of all peoples in the region would grow substantially.

In the recent past, the actions of other state-actors who value and benefit from instability in the region has allowed chaos and anarchy to reign within these two countries. The cost of instability around the Gulf countries' borders hitherto has been immense. Of primary concern is the human cost - not only to Gulf citizens, with the Houthis in Yemen firing many missiles at Saudi territory, including the holy city of Mecca and the nation's capital Riyadh,<sup>18</sup> killing many Saudi civilians; but also to the citizens of Yemen and Iraq. Besides the tens of thousands dead, and hundreds of thousands displaced, prospects for a high quality of life seem bleak. Despite the overall positive economic growth for the Gulf states, war by proximity has also had a significant opportunity cost. The region has lost significant potential investment due to the conflicts. This represents a lost opportunity for our peoples, both in the Middle East and the wider world.

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14 Ibid.

15 Ibid.

16 Trading Economics, Bahrain GDP, Saudi Arabia GDP, UAE GDP, <https://tradingeconomics.com>, last accessed August 28, 2018.

17 Observatory of Economic Complexity, available at <https://atlas.media.mit.edu/en/> last accessed August 2018.

18 Reuters, 'Saudi Coalition Downs Missiles Near Mecca', July 28, 2018 <https://www.reuters.com/article/us-saudi-yemen-security/saudi-coalition-downs-yemen-rebel-missile-near-mecca-idUSKBN1AD0WD> last accessed February 2019.

War by proximity has also given a gateway to those state actors who fund terrorist groups in Iraq, Syria, Lebanon and Yemen to reach and influence terrorist cells within the borders of the Gulf States. This has led to the perpetration of violent acts, as exemplified by the 2015 Kuwait mosque bombing that led to the death of 27 worshippers. However, the Gulf states retain their constancy and robustness in response to these threats, and as such these contained acts of internal terrorism are a key representation of why stability is so valuable to the Gulf.

In terms of global security, the Arabian Gulf is vital in ensuring the global energy supply. The Strait of Hormuz and other waterways must be open to international traffic, and the instability in the region endangers the freedom of the seas.

These threats externally and from within have given the Gulf states no choice but to increase expenditure on defense. This expenditure is aimed at countering regional instability.

## **Part Three:**

### **The interests of Iran, and supporting non-state actors**

The main state actor that has been funding, training, arming and equipping terrorist groups which have been the foundation of instability in the region is Iran. Whereas the Gulf states and other nations of the world benefit from stability for the reasons outlined in Part Three, only one state-actor is poised to benefit from instability in the region, and the strife that it causes.

Iran values instability for a multitude of reasons. A state may have had stability over a period of time, with a consistent economic, political and productive society. Iran, however, flourishes on the prospect that states may no longer have the capacity to be robust in times of extreme external threats, especially at a time where other factors allow for the strengthening of external influence. Once a nation no longer exhibits robustness to a protective degree, Iran prospers on the opportunity to use the lack of resilience of a nation to expand its influence.

Iran's ultimate aim is to practice a regional hegemony, with satellite states that are controlled from Iran. The very founding principles post 1979 Iran are that of exporting the revolution, stating that Iran must 'provide the necessary basis for ensuring the continuation of the Revolution at home and abroad'.<sup>19</sup> Iran's behavior since 1979 has shown that it does not value nor follow any principles of international law, norms or the values of good neighborliness. Time and time again, Iran has shocked the global community with the methods in which it aims to achieve its expansionist goals. At the same time, the Iranian government have shown little regard to the well-being of their own peoples. Alas, it was the founder of post 1979 Iran, Ayatollah Khomeini that stated 'for patriotism is another name for paganism. I say let this land [Iran] burn. I say let this land go up in smoke, provided Islam emerges triumphant in the rest of the world'. In

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<sup>19</sup> Constitution of the Islamic Republic of Iran, available at [www.wipo.int/edocs/lexdocs/laws/en/ir/ir001en.pdf](http://www.wipo.int/edocs/lexdocs/laws/en/ir/ir001en.pdf), Last Accessed August 30, 2018.

this context, Islam is a moniker for Iranian expansion. An early CIA report stated that Iran 'is ideologically committed to arming to aiding other Islamic revolutionaries'.<sup>20</sup> Over the years, as Iran's regional power grew, and it built a network of armed militias to actively contribute towards destabilizing nations.

The reason Iran requires this is because it is weak in conventional terms, such as its conventional military and economy. Iran's strength, developed in just under four decades, is in its ability to spread fundamentalist theocratic ideology and asymmetric warfare. As a result, it is strategically logical that Iran will use these asymmetrical means (which by their nature require instability to be successful) to expand its influence.

The development of its foreign fighter network began soon after the revolution, on two main fronts. The first was in the theatre of the Iran-Iraq War, when Iran began recruiting Shia Iraqis and Iraqi POWs, forming them into the Islamic Supreme Council of Iraq militia. Their aim was to overthrow the Iraqi regime and found a republic strictly under Iran's umbrella. Other Iraqi groups that today play a prominent role in Iraq, such as the Dawa Party and the Badr Organization all trace their roots to Iran. The other front was in Lebanon, where Iran built and developed Hezbollah. The foundations of the organization were laid in 1982 when 1,500 members of the Al-Quds Force of the Iranian Revolutionary Guard Corp (IRGC) were sent to Lebanon, to 'provide material support and train Shia foreign fighters in a range of guerrilla tactics and asymmetric warfare techniques'.<sup>21</sup> In 1985, Hezbollah was officially founded, and since then it has grown and developed its methods in recruiting, training, equipping and ultimately fighting asymmetrical wars. Having engaged in hostile activity targeting US and Israeli forces, Hezbollah now has knowledge on how to fight with aerial and mechanized support in symmetrical warfare due to its presence on the Syrian battlefield. Hezbollah is the model on which all other Iranian backed Shia militias are based. For these militias to form, function, recruit or even have a modicum of legitimacy, instability, and the act of destabilizing states is a vital ingredient.

Another example of the atypical ways that Hezbollah, Iran's largest proxy, attempt to finance their expansion in light of the weak economic situation within Iran, its main sponsor. Regionally, Hezbollah has been engaging in a plethora of damaging activities, such as moving large volumes of Taliban heroin.<sup>22</sup> Hezbollah's involvement in the Latin American drug trade is also testament to how far Iranian non-state actors are willing to go to raise funds. Latin America is a crucial source of finance for Hezbollah, sourcing a substantial amount of its revenue from criminal networks.<sup>23</sup> Hezbollah's local operatives are working together with the Triple Frontier, a money

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20 Central Intelligence Agency, 1980 'Iran: Exporting the Revolution: An Intelligence Assessment,

<https://www.cia.gov/library/readingroom/docs/CIA-RDP81B00401R000500100001-8.pdf>. Last accessed August 31, 2018.

21 Clark, 2017, 'The Implications of Iran's Expanding Shi'a Foreign Fighter Network' Confronting Terrorism Center at West Point, CTC Sentential November, Volume 10, Issue 10.

22 Levitt, 2011 'Hezbollah: Party of Fraud', Foreign Affairs, available at [www.foreignaffairs.com/articles/2011-07-27/hezbollah-party-fraud](http://www.foreignaffairs.com/articles/2011-07-27/hezbollah-party-fraud) last accessed December 2018.

23 Ottolenghi, 2018, Lebanon Is Protecting Hezbollah's Cocaine Trade in Latin America Foundation for Defense of Democracies '. <http://www.defenddemocracy.org/media-hit/emanuele-ottolenghi-lebanon-is-protecting-hezbollahs-cocaine-trade-in-latin-america/> Last accessed August 30, 2018.



laundering organization in Paraguay. Evidence exists of Hezbollah sending senior operatives to the region in order to coordinate criminal activities. The United States has identified a front company, Unique SA as a Hezbollah organization, and the Paraguayan authorities indicted Nader Mohamed Farhat, an alleged Hezbollah financier in a \$1.3 million drug money laundry scheme.<sup>24</sup> This is on top of the revenue that Iran provides to this terrorist organization, estimated as at least \$600 billion annually. The amount Iran provides to Hezbollah has been linked to the price of oil, and this makes an even more pressing argument that sanctions on the Iranian regime is necessary to disallow it from continuing to fund its terrorist network, to the detriment of regional security and stability.<sup>25</sup>

From the above examples and after reviewing almost four decades of Iranian actions, it is clear that Iran has no intention of developing the country in a manner to which other nations aspire. It wishes to build its influence over other states in the region, which is dangerous to regional stability and security at a cost to its own population.

## **Part Four:**

### **The attempted external state capture in Iraq and Yemen by Iran**

State capture broadly refers to “a situation where powerful individuals, institutions, companies or groups within... a country use corruption to shape a nation’s policies, legal environment and economy to benefit their own private interests”.<sup>26</sup> When applied to the attempts of foreign entities in dismantling the independence of another government, and, as such, eroding the self-determination of its people, it will be referred to as external state capture. When implemented, the theory of external state capture yields influence over all three branches of government – the executive, the legislative and the judiciary. It also extends its influence over military and economic affairs. In practice, it gives the foreign entity carte blanche power over the captured state. This effectively removes the legitimacy and erodes the sovereignty of the internationally recognized government. Through this, it allows for the corrosion of rightful law and order, and the implementation of policies, laws and regulations that are not in the public interest. State capture can therefore critically affect aspects such as economic development and investment, the provision of public services and their quality, alongside decisions on infrastructure and the environment.<sup>27</sup>

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24 Ibid.

25 Matthew Levitt, 'Hezbollah: Party of Fraud', Foreign Affairs available at [www.foreignaffairs.com/articles/2011-07-27/hezbollah-party-fraud](http://www.foreignaffairs.com/articles/2011-07-27/hezbollah-party-fraud).

26 Transparency International, Anti-Corruption Helpdesk, 'State Capture: An Overview, available at [https://www.transparency.org/files/content/corruptionqas/State\\_capture\\_an\\_overview\\_2014.pdf](https://www.transparency.org/files/content/corruptionqas/State_capture_an_overview_2014.pdf) last accessed August 29 2018.

27 Ibid.

This report will now examine the example of external state capture in Iraq. After the 2003 invasion, Iran immediately set about asserting its expansionist influence. The Badr Corps, under the control of the IRGC, began to fill vacuums, especially in the city of Najaf. According to Jay Solomon's 'The Iran Wars', the United States recognized this, with an agent writing in a dispatch 'we should be very, very careful of what the Iranians are up to... we are in very serious trouble here'.<sup>28</sup> The danger of Iran, and their actions in Iraq is that they do not seek to develop nor strengthen Iraq, but to expand their power in search of the Shia crescent, which would give Iran access to the Mediterranean and the Israeli border through Iraq, Syria and Yemen. Indeed, former Iranian Minister of Intelligence, Hayder Moslehi boasted that Iran controlled four Arab capitals: Baghdad, Beirut, Damascus and Sana'a.<sup>29</sup> In 2006, in response to growing economic pressure on Iran due to their nuclear program, Iran upped the ante in Iraq. Its militias orchestrated attacks on US and coalition forces, while Iran simultaneously assisted Al Qaeda.

There exists significant evidence that Iran supported Al Qaeda. In 2012, the US Department of the Treasury issued a report that highlighted the level of support it had given Al Qaeda in Iraq, and other terrorist groups such as the Taliban. The report stated that the Iranian Ministry of Intelligence and Security (MOIS) had 'facilitated the movement of Al-Qaida operatives in Iran and provided them with documents, identification cards and passports. MOIS also provided money and weapons to Al-Qaida in Iraq, a terrorist group designated under E.O. 13224, and negotiated prisoner releases [on behalf of] Al Qaeda operatives'.<sup>30</sup> The fact that both Al Qaeda and ISIS have persecuted and massacred Shias raises the question of why Iran would support said groups. Yet, the choice to do so is tactical when viewed from an expansionist perspective. To Iran, terrorist groups and militias are a means to an end. Through supporting these terrorists, Iran managed to, via proxy, implicitly threaten Western and global stability. By 2014, these groups were considered a terrorist threat on the world stage. It was this territorial expansion of terrorists in general and the Islamic State in particular that acted as a turning point for Iran's tactical plan, as they become a formidable enemy, with Iran now firmly against these terrorists, despite their earlier covert support.

When the Iraqi army collapsed in 2014 from ISIS' offensive, Iran was viewed, even by Iraq, in a positive light for its apparent efforts in providing 'critical support', of 'military and humanitarian aid in the fight against ISIS'.<sup>31</sup> However, for Iran, it is clear that the next stage of its external state capture was in action. Having equipped an enemy to fight the Iraqi army, severely weakening it through doing so, it could now mobilize Iraqi people to support the Iranian cause. A multitude of militias, both new and old were now unified under the leadership of the Popular Mobilization Forces (PMF). By early 2018, it is estimated that over 60 brigades exist, with up to

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28 Solomon, Jay 'The Iran Wars' (London, Random House, 2017).

29 Saleh, Hameed 'Former Iranian Minister Says Iran Controls Four Arab Capitals', Al Arabiya available at <https://www.alarabiya.net/ar/iran/2015/04/02/عواصم-عربية-على-4-نسيطر-سابق-إيراني-وزير.html> last accessed March 2019.  
For more about the Shia crescent, see Middle East FAQs Volume 1: What is the Shia, Clawson et al available at <https://www.washingtoninstitute.org/policy-analysis/view/middle-east-faqs-volume-1-what-is-the-shia-crescent>.

30 Mahmood, O, 2016: Indian and GCC Perspectives: Iran, India and the GCC Bahrain Center for Strategic, Energy and International Studies 'DERASAT', May 2016.

31 Nada, 2018.

150,000 fighters behind them. Many pledge allegiance to the Iranian Supreme Leader. Others, as stated by the leader of Kataib Hezbollah, have benefited from the support of 'Iran in terms of weapons, advising, and planning'. In the 2016 words of Raad al Dahlaki, an Iraqi lawmaker, the PMF could evolve into something that resembles Iran's Revolutionary Guard.

Kataib Hezbollah is the 45th brigade of the PMF. This group is a good representation of the other brigades and militias that form the PMF. The militia dates back to 2004, and initially fought the U.S. led coalition. In 2009 the advancement of their symmetrical military capabilities was highlighted when they managed to successfully hack a US drone with Iranian assistance. Kataib Hezbollah state on their website that they 'wish to set up a government in Iraq based on the one in Iran, and that they pledge allegiance to the Supreme Leader.' The group uses heavy sectarian motifs in its propaganda and recruitment strategies, furthering the sectarian divide that has emerged in Iraq. The danger of this group, and others like it, is that it not only now possesses symmetrical military capabilities gained in their fight against anti-Assad forces in Syria, but that they erode the agency and independence of the Iraqi government. In doing so, despite their theoretical power, the legitimate Iraqi Armed Forces find themselves with little actual power on the ground in comparison to that of the PMF, especially following their merger with the formal Iraqi security services.

The legacy from the Iran - Iraq war has also had a major impact upon Iraqi politics. During the war, a portion of Iraq's significant Shia politicians become expatriates in Iran. This included the leaders of parties such as Dawa Party, the Islamic Supreme Council of Iraq and the Badr Organisation. During their residency, Iran was able to manipulate and impose its influence on the Shia parties. Resultantly, on their return to Iraq, these key political parties have ensured that Iraq would remain approachable and under the influence of Iran.<sup>32</sup> For example, Iran was willing to try and hold Iraqi political parties and the Iraqi government ransom by choosing to deny a large amount of the country's populace access to a basic service such as electricity, at the peak of the summer heat. Iran did this to coerce the current Iraqi government to further fall under Iran's umbrella, and to weaken it after it held talks with Saudi Arabia. It also shows how far Iran is willing to go to achieve its goals, with no regard to the well-being of the Iraqi population.

Iranian influence in Iraq can additionally be substantiated through economic metrics. The trade between Iran and Iraq has been one-sided, with Iran's exports to Iraq having doubled 17 times since 2004. When religious tourism, oil, gas and engineering services are included in the balance of trade, Iraq's deficit to Iran stands at \$12.5 billion. Effectively, Iran supplies Iraq with the majority of its food, agricultural products, chemicals, construction materials, machinery, vehicles, home appliances and textiles.<sup>33</sup> Iran is also a major creditor to Iraq, and as a result has enormous economic influence over the country. This ensures that Iraq is economically beholden to Iran, again eroding the agency of the internationally recognized government to have sovereignty over economic decisions.

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<sup>32</sup> Ibid.

<sup>33</sup> Ibid.

Following the breakout of violence in Yemen in 2011, the United States, Saudi Arabia, the United Nations Security Council (UNSC), along with President Abdrabbah Mansour Hadi aimed to reform the Yemeni political situation. In 2013 a National Dialogue Conference occurred with the aim of securing a broad national consensus for a new political order. By January 2014, no agreement was reached. This allowed for an anti-government fundamentalist Shia group, the Northern Yemeni Houthi Movement, to take advantage of the power vacuum and launch a military offensive within weeks. Sana'a fell to the Houthis on the 21st of September, 2014, unseating the legitimate Yemeni president.<sup>34</sup> At this point swathes of Yemeni territory were under the control of a group whose flag states 'Death to America... curse on the Jews'. This rhetoric alone says much about the fundamentalist and intolerant nature of their beliefs.

In Yemen, Iran's attempts at capturing the country have been more traditional, with them arming the Houthi militia and transferring know-how, 'along with Iranian-supplied ballistic missiles, anti-ship missiles, and sea mines'.<sup>35</sup> This equipment has been used to threaten international merchant vessels, including damaging a Saudi oil tanker. Iran's control over the Houthis is undoubtable, and this event alone is evidenced by Iran's own state media. It reported that an IRGC General stated 'We [IRGC] told... Houthi rebels to strike two Saudi oil tankers, so they did it'.<sup>36</sup> The importance of Bab-Al-Mandab, the strait of sea between the Arabian Peninsula and the West African coast to international commerce and the global economy cannot be stressed more. Approximately 10%<sup>37</sup> (at least \$126b in monetary terms) of all world trade passes through this passage, as does almost all oil exports from the Arabian Peninsula to the West.<sup>38</sup>

The vitality of this passage can also be shown by the fact that China, which historically has not militarily intervened in international issues, set up their first overseas naval base in Djibouti. India too has recognized the importance of safe passage in this waterway, and sent naval vessels to Combined Task Force 150, a fleet designed to combat piracy in this region. Hence, the blatant threat against international shipping, and its effects on the global economy is a major destabilizer, hurting both regional and international interests. The support provided by Iran to the Houthis is further highlighted by how in January 2018 the United Nations Panel of Experts on Yemen established that Iran 'was in noncompliance with UNSCR 2216 for failing to prevent the transfer to Houthi forces of Iranian-made short-range ballistic missiles'.<sup>39</sup> The Houthis have also been in violation of a number of United Nations and Geneva Convention norms. For example, they have extensively planted landmines in Yemen, in direct violation of the Anti-Personnel Mine Ban clause of the Geneva Convention. In the Arabian Gulf, Iran has also regularly stated that they will close the Strait of Hormuz, a narrow marine passage through which the US Energy Information Administration estimates 35% of the world's seaborne oil passes through.

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34 Sharp, J, 2018 'Yemen: Civil War and Regional Intervention', Congressional Research Service, CSR report, 7-5700, R43960.

35 Toumaj, Amir 'Long War Journal' available at <https://www.longwarjournal.org/archives/author/amir>.

36 Sharp, 2018.

37 OEC, Ibid.

38 OEC, Ibid.

39 Ibid.

In spite of the illegal terrorist activity of the Houthi militia in Yemen, and the threat they pose to regional security in general and the Kingdom of Saudi Arabia in particular, the Gulf states have always been supportive of a peaceful resolution to the conflict, especially after Gulf mediation in the Yemeni crisis after 2011. The Gulf states' wish for a peaceful resolution was furthered by the Stockholm agreement in 2018. The key points of the agreement where the streamlining of civil service pay, agreements to end fighting in the key city of Hodeida, along and perhaps most importantly a consensus on a framework plan for the peace process. The Houthi militias, however, have continued sporadic firing, not adhering to the terms of the agreement, forcing the coalition to continue military action.

UN experts visiting Saudi Arabia concluded that inspected debris from missiles fired at Saudi territory by the Houthis were weapon systems known to be produced in Iran. It was also noted that there was a 'high probability' that these missiles were made outside of Yemen, transported in sections and re-assembled by Houthis.<sup>40</sup> In 2016, American warships intercepted multiple shipments of weapons from Iran to the Houthis, further exposing Iran's role in supporting a group deemed a terrorist entity by the international community.<sup>41</sup> On December 14, 2017, former US Ambassador Nicky Haley also made a presentation to the United Nations detailing that the missiles fired into Saudi Arabia were of Iranian origin, arguing that the evidence meant Iran's involvement was 'undeniable'.<sup>42</sup> These factors demonstrate how for Iran, Yemen is another opportunity for increased influence, embodying what it seeks to achieve across the Arab world: instability, hegemony and the erosion of sovereignty and self-determination of Arab nations and their peoples.

The attempt to turn Yemen into an Iranian satellite state and to deprive the nation of its agency forced Saudi Arabia and her allies, at the request of the Yemeni president, to act decisively. While it is not within the scope of this report to discuss the military operations in detail, the inhumane tactics used by the Houthis have made avoiding civilian casualties, even when every precaution is taken, an impossible task. These include placing military equipment and installations in hospitals and schools. The use of human shields is expressly prohibited by Rule 97 of the Geneva Convention, yet, the United Nations has reported that 'the Houthis militants have used Yemeni civilians as human shields'.<sup>43</sup> This highlights how the Houthis are willing to sacrifice innocent civilians and commit war crimes to contribute to the instability that is required for Yemen to be a fertile ground into which Iran can expand.

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40 Ibid.

41 Bergen, 2016, P, 'US intercepts multiple shipments of Iranian weapons going to Houthis in Yemen', <https://edition.cnn.com/2016/10/28/politics/us-intercepts-iranian-weapons/index.html> Last accessed August 30 2018.

42 Voice of America, 'US Presents Undeniable Evidence Iran Illegally Arming Houthi Militia available at <https://www.voanews.com/a/us-iran-united-nations/4163331.html> last accessed August 30 2018.

43 HE Amb. Nikki Haley, 2018, Remarks at a UN Security Council Open Debate on the Middle East, online text, <https://usun.state.gov/remarks/8409>, last viewed 30 August 2018.



## Part Five:

### The way forward and proposals to end the crisis

The issues discussed are complex, but a solution need not be. In Iraq's case, the international community must immediately stop and dismantle Iran's attempts at instigating an external state capture. The international community must stop Iranian allied forces from dominating the military and political scene in Iraq, as this a major destabilizer. Economically, the Kingdom of Saudi Arabia has already offered to support and rebuild war-devastated parts of Iraq. Unlike a credit offer from Iran, mainly concentrated on constructing infrastructure that would allow it to realize it's goal of the Shia crescent, the Saudi offer is designed to support Iraq's reconstruction and stability. This in the interests of both Saudi Arabia and the Gulf states. This reconstruction was discussed at a summit in Riyadh in early 2018. At the recent Baghdad International Fair, over 60 Saudi Arabian companies were present, ready to invest in Iraq. It is vital to create genuine opportunities for its people, moving them away from extremist influencers. During a donor conference held in Kuwait in February 2018, over \$30 billion was pledged to rebuild Iraq. Nonetheless, if external state capture in Iraq is not stopped by international pressure and action, then Iraq will fall prey to Iran's hands. Iran's Shia militias in Iraq must be disbanded, disarmed and reintegrated into Iraqi society. Part of the solution for this is for the international community to understand the realities of Iran's behavior in the region. To this end, the United States of America has taken strong and appropriate action by pulling out of the Joint Comprehensive Plan of Action (JCPA) and re-imposing sanctions on the Iranian state. The 12 demands set out by Secretary of State Mike Pompeo are fair and timely. Asking Iran to 'end support to Middle East terrorist groups, including Lebanese Hezbollah... to respect the sovereignty of the Iraqi government and permit the disarming, demobilization and reintegration of Shia militia... [stop] its military support for the Houthi militia and work towards a peaceful political settlement in Yemen... [and] end support for the Taliban and other terrorists in Afghanistan and the region, and cease harboring senior Al Qaeda leaders' are demands that must be met in order to restore stability in the Middle East and the wider West Asian region.<sup>44</sup>

The solution in Yemen in the short term is to continue to enforce the international UN sanctioned embargo on supplying the Houthis with weapons of any type. Militarily, the Houthis have to be put in a position where they are disarmed and willing to accept a negotiated settlement, and the reintroduction of a peaceful National Dialogue as attempted in 2014. Yemen must be returned, in her entirety, to the internationally recognized government of President Hadi. In the long term, once a settlement is reached, the Gulf states and the wider international community must contribute to rebuilding Yemen and reinvigorating its economy. Only by providing the peoples of both Iraq and Yemen the chance to live a secure life with opportunities can extremism then be crushed. The ultimate aim in both cases must be to have stable, prosperous, self-sustaining nations whose people are free of external meddling. This will provide a regional anchor of stability that will self-enforce once the external factors propelling instability are curtailed. Only then can enduring peace in the region prevail.

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44 Al-Arabiya English, 2018, 'Here are the 12 conditions the US demands from Iran to review sanctions', <https://english.alarabiya.net/en/features/2018/05/22/Here-are-the-12-conditions-US-demands-from-Iran-to-review-sanctions.html> last accessed 1st September, 2018.

## Conclusion

Overall, this report has discussed why the Gulf states value stability both regionally and internationally. To do so, it has focused on the contemporary examples of Iraq and Yemen. Whilst the crises in Iraq and Yemen are derived from different backgrounds, this report has highlighted the threat of external state capture that both nations face. It has shown how Iran has so far, had tactical success in Iraq, achieving this through strategic means. First arming terrorist groups, to then use them as bait for its ultimate cause of expansionism, at great economic and human cost to the Iraqi people, and effectively controlling the Iraqi government. By arming and supporting its Houthi proxy, Iran is continuing its endeavor to capture the Yemeni state through military means, attempting to deprive the Yemeni people of their internationally recognized government in contradiction to the United Nations Security Council, international law and the well-being of the Yemeni people. Protecting the international merchant marine must also be a priority, and measures should be taken in this regard. The text has detailed how the Gulf states are ready to support the Iraqi and Yemeni states back to a position of stability within their borders.

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