



Iran's Proxy Network and the Growing Risk of Regional War in the Middle East

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Summary

Tensions in the Middle East continue to escalate as Iran positions its regional proxy network for a potential coordinated assault against Israel, pending the outcome of ceasefire negotiations in Gaza.

This Insight examines Iran's strategic posture, the capabilities of its allied militias, and the growing risk of an expanded, multi-front regional war involving the United States and key regional actors.

Strategic Intelligence Insight

I. Strategic Context: Gaza as a Trigger Point

- Iran's decision to retaliate against Israel hinges on the outcome of ceasefire negotiations in Gaza.
- A failure to reach a lasting agreement could prompt Tehran to mobilize its proxy forces across Lebanon, Iraq, Syria, and Yemen in a synchronized campaign.
- Iran's calculation reflects both political leverage and military positioning: preserving deterrence while avoiding premature escalation.

II. Iran's Proxy Network: Structure and Capabilities

▪ Islamic Revolutionary Guard Corps (IRGC) and Quds Force:

Iran's primary architects of regional proxy strategy, overseeing training, funding, and operational planning across multiple theaters.

▪ Hezbollah (Lebanon):

- Estimated 100,000 trained fighters.
- Arsenal includes over 150,000 rockets and missiles, precision-guided systems, drones, and sophisticated tunnel networks.
- Battle-hardened through operations in Lebanon, Syria, and Iraq.

▪ Houthi Movement (Yemen):

- Estimated 20,000–200,000 fighters.
- Arsenal includes Iranian Shahed-136 drones, Samad-3 drones, ballistic and cruise missiles.
- Operational reach into the Red Sea corridor and capability to strike Israeli and Western targets.

▪ Popular Mobilization Forces (Iraq):

- Estimated 180,000 fighters.
- Equipped with rockets, drones, and asymmetric warfare capabilities.
- Responsible for multiple attacks against U.S. forces since 2020 under the banner of the "Islamic Resistance in Iraq."

III. Strategic and Operational Risks

- **Coordinated Multi-Front Assault:**

Iranian-aligned militias could simultaneously engage Israel from Lebanon, Syria, Iraq, and Yemen, overwhelming air defences and complicating military responses.

- **Threat to U.S. Forces:**

Iranian proxies have already demonstrated the capacity to strike American bases, as evidenced by the January 2024 drone attack on Tower 22 in Jordan.

- **Regional Economic and Security Disruption:**

Disruption of Red Sea shipping lanes by Houthi attacks underscores the potential for broad economic fallout.

IV. Regional and Global Implications

- **Escalation Dynamics:**

Any Iranian-orchestrated offensive would likely trigger significant Israeli retaliation, risk drawing the United States into direct confrontation, and destabilize multiple regional theaters.

- **Strategic Overextension Risks:**

Simultaneous conflicts across Lebanon, Gaza, Syria, Iraq, and Yemen would strain Israeli and allied defence systems, with high potential for mass casualties and critical infrastructure disruption.

- **Diplomatic Fallout:**

The broader conflict could fracture emerging regional alliances (e.g., Abraham Accords) and force recalibration of U.S. and Gulf security postures.

Indicators to Monitor

- Final outcomes of Gaza ceasefire negotiations and Iranian official rhetoric.
- Unusual military mobilizations by Hezbollah, PMF, or Houthi forces.
- Cross-border rocket fire, drone launches, or asymmetric attacks against Israeli and U.S. targets.
- Shifts in U.S. regional force posture or urgent diplomatic initiatives.

Analyst Reflection

The Middle East stands at the precipice of a major regional conflict, with Iran's proxy network offering Tehran unprecedented leverage to wage asymmetric war on multiple fronts.

The convergence of ideological commitment, operational readiness, and strategic grievances makes the risk of large-scale escalation unusually high, hinging precariously on developments in Gaza.