Iran’s Objectives and Capabilities
Deterrence and Subversion

Jack Watling
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Executive Summary

WHILE A SIGNIFICANT proportion of the Middle East is beset by civil conflict, there remains a serious risk of a major war with Iran. Any conflict with Iran is liable to be regional, and to involve the US. There are several potential flashpoints, from clashes between Iranian-aligned units and US forces in Iraq, to an Israeli first strike in response to the collapse of the Joint Comprehensive Plan of Action, or escalation between Saudi Arabia and Iran as a result of developments in Yemen. The most dangerous flashpoint, however, is in Lebanon, where Iran’s bid to add guidance systems onto Hizbullah’s missile arsenal poses a serious threat to Israeli airfields and critical national infrastructure. If this threat continues to expand, Israel may feel that it has no choice but to strike. Such a conflict is far from inevitable, but policymakers need to work to reduce the risks of escalation.

There is no shortage of public discourse about Iranian activity in the region. Most reporting, however, either focuses on internal divisions in Tehran over Iranian policy, or presents Iranian activity abroad as a monolithic subversive project. A great deal has been written about what Iran is doing in Syria, Iraq, Lebanon, Yemen, and elsewhere. Far less has explored why Iran is active in these countries. This Occasional Paper is an attempt to assess Iran’s key foreign policy objectives to better understand Iranian interests across the region, and thereby identify the strengths and weaknesses of Iran’s strategy.

The conclusion of this paper is that Iranian policy is shaped by competing visions of Iran’s role in the world – from nationalists who wish to ensure Iran’s position as a regional power, to revolutionaries who believe that Iran is the leader of firstly the Shia, and secondly the Muslim world. Both visions are perceived to be threatened by hostile powers, which are believed to be undermining Iran’s independence. The foremost objective of Iranian security policy is to preserve the country’s independence under its post-revolutionary constitution. The Iranian government perceives the US and Israel as the most serious threat to that objective, and has therefore established a strong deterrence posture founded on increasingly accurate rocket and ballistic missile technology, based in Iran and in Lebanon, which in the event of war will be used to strike US bases and economic infrastructure in the Gulf, and Israeli towns and critical national infrastructure. Meanwhile, Iranian-backed units in Iraq and the Navy of the Islamic Revolutionary Guard Corps would strike US forces in Iraq and the Strait of Hormuz respectively to deny space to US forces, slow the build-up of US units, and inflict casualties.

The Iranian government has high confidence that, following the experience of Iraq and Afghanistan, a comprehensive ground invasion of Iran is unlikely. Instead the expectation is for adversaries to launch an extensive air campaign, to occupy key installations and terrain, and to attempt to cause an internal uprising against the government. The Iranian government believes it can withstand an internal rising, and thereby protract the conflict, inflicting casualties on its adversaries in a regional deep battle to force a settlement.
As well as maintaining a powerful deterrent capability, Iran’s support for Hamas and the Houthis is primarily an attempt to fix Israel, Saudi Arabia and the UAE in costly conflicts, which causes substantive political damage to its adversaries, reducing the strength of any potential coalition facing Iran. Iran lacks command or control over these groups, however, and they pursue independent political objectives. Conversely, the Iranian government perceives the conflict in Syria – and latterly in Iraq – as costly, non-discretionary conflicts to protect Iranian influence. In both cases Iran perceives Saudi Arabia as working to protract, and thereby drain Iranian effort. Although Tehran has protected its interests in Syria and Iraq, it has done so at a considerable cost, while Damascus today is a far weaker partner in the Axis of Resistance than it was prior to 2011.

The strength of Iran’s proxy relationships is often exaggerated. Hizbullah in Lebanon and Kata’ib Hizbullah in Iraq are the only large groups over which Iran exercises significant levels of control. Iran has diminishing influence among various militias in Iraq and is seeking to stabilise the Iraqi government as an ally, partly to reduce the impact of renewed sanctions. In Syria, the Syrian government and Russia are working to reintegrate security forces under Damascus’s control, pulling militia groups out of Iran’s orbit. In Yemen, the Houthis are willing to accept Iranian aid, but have little interest in Iran’s political project. Facing protests at home over foreign expenditure, Iran has limited room to manoeuvre. Attempts to build relationships with protesters in Bahrain and Saudi Arabia have proved marginally effective.

It is therefore possible to curtail Iranian subversive activity through the coordinated use of law enforcement and information operations to identify, expose and disrupt Iranian policy. Resolving the conflict, however, requires that policymakers come to terms with Iran’s demand to be a regional power, and to define what an acceptable relationship with Tehran looks like.
Introduction

Israel claims to have struck Iranian and Hizbullah targets in Syria more than 200 times since the beginning of the country’s civil war.¹ One such strike, in January 2015, killed Iranian Brigadier General Mohammad Ali Allahdadi and several senior members of Hizbullah, including the son of former Hizbullah operations chief Imad Moughniyah.² Hizbullah subsequently fired six Kornet rockets across the Israeli border, killing two Israeli soldiers and wounding seven others. Israel responded with an artillery bombardment. The incident highlights how attempts to curtail Iran’s expanding military footprint in the Levant risks transnational escalation. It is also important to note that Hizbullah hit a civilian structure, while Israel killed a UN peacekeeper in the exchange.³ Further errors of this kind could have severely reduced the capacity for a managed de-escalation.

Today, the risks of such an escalation – whether as the result of miscalculation or a deliberate choice – are higher than in 2015. As Israeli strikes against Hizbullah and Iran expand, with Israel now threatening to strike Iranian targets in Iraq,⁴ the need to deter creates pressure for retaliation. Whereas in January 2015 the P5+1 negotiations with Iran were making headway, today the world is contemplating the collapse of the Joint Comprehensive Plan of Action (JCPOA), which would present Israel with an existential threat likely precipitating war, especially if Israel is unable to verify whether or not Iran resumes work on its nuclear programme.⁵ Even without Iran pushing for a nuclear weapon, the build-up of surface-to-surface missiles in Lebanon, Syria, and Iran has led some senior Israeli officials to argue that war is inevitable, and preferable sooner, rather than later,⁶ before Iranian technicians retrofit guidance systems onto a critical mass of Hizbullah’s arsenal.⁷

⁴. Herzog, ‘Israel, Iran and Russia’.
⁶. This argument has been made publicly by Prime Minister Benjamin Netanyahu, see Robert Berger, ‘Israel: Better to Confront Iran Sooner Than Later’, Voice of America, 6 May 2018, <https://www.voanews.com/a/israeli-pm-better-to-confront-iran-sooner-than-later/4381639.html>, accessed 18 January 2019; but a less strident case is made privately by Israel Defense Force (IDF) officers.
⁷. Author interview with a senior IDF officer (AA), London, October 2018.
Besides Iran’s conflict with Israel, there are other potential flashpoints. Saudi Arabia is currently losing troops to Iranian-designed IEDs in Yemen, and the Kingdom’s foreign policy is taking a harder line, despite a string of miscalculations. As Saudi Arabia explores opportunities in Iraq and Syria to counter Iran, the potential for Iranian countermeasures risks escalation. For its part, Iran continues to support groups conducting subversive and terrorist activity across the region, which the US is vowing to stem. In September 2018, militia threatened US diplomats in Basra and Baghdad, prompting a statement from the White House declaring that the ‘United States will hold the regime in Tehran accountable for any attack that results in injury to our personnel or damage to United States Government facilities. America will respond swiftly and decisively in defense of American lives’. In private, US officials were more emphatic, promising targeted and kinetic retaliation. While these responses were in themselves understandable, the erraticism of current US foreign policy in the region introduces significant uncertainty into calculations of proportionality and deterrence.

Conflict with Iran is far from inevitable. The past few years have demonstrated that flashpoints can be managed. While incidents such as the incursion of an Iranian UAV over Israel or the burning of the Saudi embassy in Tehran led to a significant rise in tension, they did not lead to war. However, the international community continues to face a high risk of a large-scale regional war with Iran within the next five years. It is important to carefully consider not just Iran’s capabilities, but also its strategic outlook, which must inform how those capabilities will be deployed. There is no shortage of analysis of Iranian policy. However, there is often a significant gap between political and security perspectives. Analysis of Iran’s domestic politics

10. Most notably the detention of Lebanon’s Prime Minister Saad Hariri, the Kingdom’s damaging dispute with Canada, and the murder of Jamal Khashoggi.
15. Author interviews with a senior US diplomat (AB), London, November 2018; a senior UK diplomat (AC), London, November 2018.
often emphasises the tension between Iranian ministries and the institutions of the Islamic Revolutionary Guards Corps (IRGC), alternatively framed as a struggle for power between ‘moderates’ and ‘hardliners’. The conclusion of these analyses tends to emphasise the importance of empowering moderates. Security-focused analysis, by contrast, often posits that the IRGC is the only institution that counts, and that Iran is pursuing a unified and monolithic policy of subversion in the pursuit of revolution. Whether it is labelled an ‘Iranian Octopus’ or ‘the rising tide of Shi’ism’, the tendency is to flatten Iranian policy. While many security analysts caveat and nuance their arguments, the usual takeaway for policymakers is reductionist. British Shadow Minister for Peace Fabian Hamilton – with nine years’ experience on the Parliamentary Foreign Affairs Select Committee – argued, for instance, that the principle driver in Iranian policy was that ‘the Iranian government is obsessed with exporting their Shia revolution’.

Both perspectives are problematic. While Iranian politics is hotly contested, and ministries have often pursued competing policies, characterising these divisions as the core dynamic in Iranian policymaking overlooks Iran’s robust institutions for formulating unified strategic foreign policy through the Supreme National Security Council (SNSC). Interpreting differences or contradictions in Iranian policy as a product of domestic divisions risks marking an Iranian strength – the capacity to tailor approaches to different contexts – as a sign of weakness. Through the SNSC, with representation from both ministerial and revolutionary institutions, Iran has persistently demonstrated its capacity to develop and implement policy in a unified and coordinated manner, with close operational cooperation between the Ministry of Foreign Affairs (VAJA), the Ministry of Intelligence and Security (VEVAK), and the IRGC. That differences in method, or political divisions, have created cases of interdepartmental conflict should not be surprising when compared with Western inter-agency processes. However, recognising that

23. A term widely employed by Saudi diplomats, see its prevalence in WikiLeaks, ‘The Saudi Cables’, <https://wikileaks.org/saudi-cables/search?q=%D8%A7%D9%84%D9%85%D8%AF+%D8%A7%D9%84%D8%B4%D9%8A%D8%B9%D9%8A&exclude_words=&types%5B%5D=1&types%5B%5D=2&types%5B%5D=3#results>, accessed 1 October 2018.
27. One might consider the exclusion of Department of State and Department of Defense personnel from CIA activities in Chile as an example, see Memorandum for the Record, ‘Genesis of Project
Iran has clear strategic objectives should not lead to the conclusion that it has a fixed and narrow approach to pursing them. The tendency of security analysts to present Iranian policy as monolithic is best demonstrated in the characterisation of groups such as the Popular Mobilization Forces (PMF), or Al-Hash’d Al-Shaabi, in Iraq, or the Houthis in Yemen, as ‘Iranian proxies’. The PMF is an umbrella group of units with whom Iran has varying and complex relationships, while the Houthis are not subject to Iranian control. In flattening Iran’s relationships, such analysis often ignores the differences that will determine how Iran can use its allies and proxies in the event of war, and overlooks important constraints upon, and weaknesses in, Iran’s strategy.

This paper is an attempt to assess Iran’s strategy in the context of a large-scale war, breaking down the country’s capabilities and its alliances around the region, and how these will be brought to bear. The paper is not an assessment of the Iranian order of battle: the proportion of Iran’s 75 T-62 tanks that are operable is of negligible importance to the outcome of a hypothetical war. Nor is this a study of internal Iranian political dynamics, or of Iran’s wider trading and diplomatic relationships. This is an evaluation of how Iranian officials see their enemies, weigh their own strengths and weaknesses, and how they will deploy their assets to advance what they perceive to be Iran’s interests, in the event of war. There are many more thorough analyses of Iranian operations in Syria, Iraq, Lebanon, and further afield. There are also more extensive studies of Iran’s emerging missile technology and fighting doctrine. Specialists of Yemen’s civil war are unlikely to find the conclusions in this paper remarkable. However, in examining Iran’s regional relationships bilaterally, this paper seeks to add substantially to the understanding of how Iran differentiates between its partners, what it seeks to achieve with them, and to identify the strengths and weaknesses of those ties. Crucially, it seeks to challenge the tendency in public discourse to assume that Iran’s policy is simply to replicate Hizbullah across the Middle East.

Methodology

This paper is based on a survey of existing literature and draws on two years of field research across the Middle East. It is the culmination of interviews with officials, academics, journalists and members of non-state armed groups from Bahrain, Belgium, Canada, Egypt, France, Iran, Iraq, Israel, Jordan, Lebanon, Libya, Mali, the Netherlands, Pakistan, Palestine, Qatar, Russia, Saudi Arabia, Sweden, Syria, Turkey, the UAE, the UK, the US, and Yemen. The methodology has been to examine Iran’s relationships bilaterally from the ground up by meeting with members and officials from non-state groups examined in this paper, and contextualising their comments by discussing them with academics, journalists, and others with regular direct access to the groups they study. The one exception to this is Palestinian Islamic Jihad, with whom the author was unable to conduct interviews.
The approach to understanding Iranian positions was to discuss Iranian policy with a wide array of actors from across Iran’s political spectrum, from the religious to the secular, from the revolutionary to the nationalist, and from military and civilian institutions. The vast majority of interviews were conducted in person, and where possible there were multiple meetings. Comments from Iranian officials were then run past Western diplomats, military officers and academics to contextualise them. In an ideal world this process would be explained transparently in this paper. Unfortunately, this is not possible. Many meetings were conducted on the understanding that names would not be revealed. In other cases, names, locations and precise dates of meetings have had to be withheld to protect the identity of potentially vulnerable sources. Indeed, some persons interviewed for this paper have been subsequently killed or detained, though not as a result of interacting with the author.

The breadth of this paper ensures that it contains significant simplifications, and notable omissions – Afghanistan, Azerbaijan, Oman, and Qatar, or Iran’s networks in Europe, South America, and West Africa – are not explored. However, the paper attempts, as far as is possible, to present the viewpoints of conflicting parties in their own terms. It is also important to note that the groups examined are those that have direct military significance. Iran’s diplomatic approach in the event of a crisis is not considered, nor are potential partners that would not contribute militarily to Iran’s war effort. Key economic partners – such as Russia and China – are therefore largely overlooked.

Structure

The paper is divided into three chapters. The first chapter outlines how Iran understands its hierarchy of threats and security policy objectives at the strategic level. The second is a survey of Iran’s military formations and alliances on a bilateral basis. The final chapter considers Iranian weaknesses, the limits of Iranian leverage, and how subversive efforts can be countered or contained.

Definitions

Some of the terms used in this paper require definition or clarification. The first chapter contains several judgements about the view of the Iranian government. Of course, officials within the Iranian government have a wide range of views, some starkly conflicting. Even where there is agreement on a policy, there is often disagreement as to why that policy is sensible. It would not be realistic to lay out these internal disagreements in detail without turning this paper into an analysis of Iran’s domestic politics. While acknowledging extensive disagreements and debates in Tehran, the policies described in this paper are understood to be the culmination of a policy process agreed by Iranian ministers, the IRGC and the Supreme Leader. They are therefore presented as a unified conclusion, or commonly agreed basis for policy, without suggesting that there is a single unchallenged view.

Another term that requires clarification is ‘proxy’. There is an inherent tension in this term between its legal meaning and its political realisation. In law, a proxy is an entity over which
the principal has effective control. Politically, however, the point of employing proxies is often to maintain plausible deniability.²⁹ States generally do not seek effective control, but rather the minimum necessary influence to enable a group to act in a state’s interests. Almost none of the groups routinely described as ‘Iranian proxies’ in public discourse would accept the label themselves. Nevertheless, the decision to implement one group’s policy through others has significant strategic implications, which justifies distinguishing it from conventional special operations and espionage. In this paper, therefore, the term ‘proxy’ refers to groups through which Iran implements its foreign policy strategy. It does not imply any specific degree of Iranian control, or alignment of values, between Iran and the group. The nature of the relationship must be considered separately from Iran’s objectives in entering it.

I. The View from Tehran

The Iranian government perceives an array of threats facing the country, the most prominent of which are, in order of significance:

- The US government
- The government of Israel
- Regional instability threatening allies

The US government is assessed by the Iranian government to be the only institution with the ability and inclination to initiate war against and comprehensively defeat Iran. The Israeli government is believed to have the inclination to attack Iran – unilaterally if Iran re-establishes its nuclear programme – and has proven itself willing to directly confront Iranian forces in Syria. Israel is assessed to not be militarily capable of invading Iran, or bringing down the Iranian government; however, a conflict between Israel and Iran is expected to lead to the intervention of the US. This is an assessment that the US and European governments share. The Iranian government assesses that the reliance of Saudi Arabia on US logistical and ISR support ensures that the Kingdom cannot credibly attack Iran without US approval, but Saudi funding is perceived by Tehran to exacerbate regional instability.

In a conventional conflict with the US, the Iranian government accepts that its weak air force will prevent it from mounting significant conventional offensive operations. Iran’s SA-20C surface-to-air missiles (SAMs) can impose a cost on gaining air supremacy. But the Iranian government lacks enough missiles, or sufficient supporting command-and-control and radar infrastructure, to achieve credible Anti-Access Area Denial (A2AD). The Iranian government has high confidence, however, that the US will not conduct a comprehensive ground invasion. With a population more than double that of Afghanistan, and an area almost four times that of Iraq, a ground invasion of Iran would be an immensely costly undertaking. Given the high likelihood of fierce resistance in urban areas, and the experience of Iraq and Afghanistan, Iranian officials

30. Author interviews, a close friend of Iran’s foreign minister (AE), London, March 2018; an IRGC commander (AF), Arbaeen, 2017; a senior IRGC officer (AG), January 2018.
are confident that a ground invasion would be ruled out. Instead, the expectation would be a strategic air campaign targeting Iran’s military, government and industrial infrastructure, followed by limited incursions to seize strategic areas, and an attempt to overthrow the government by instigating a domestic uprising.\textsuperscript{34}

Iranian officials are also confident that an attack on Iran would see the population rally around the government in defence of the country and its holy places, and that the government could suppress internal risings. There are good reasons for believing they are correct. In the first instance, the most commonly suggested local partner in overthrowing the regime is the Mujahedeen-e-Khalq. While armed and organised, this organisation has very little support inside Iran, and its ideology is highly objectionable to most Iranians.\textsuperscript{35} More significantly, while there is substantial political opposition in Iran to government policy, and aspects of the clerical system, that does not mean that foreign support for overthrowing the government would be welcomed. One of the most prominent chants among those protesting Iranian foreign policy was ‘Neither Gaza nor Lebanon, my life for Iran’.\textsuperscript{36} As this slogan suggests, Iranians who question the importance of fighting abroad are still prepared to defend their country. It is worth highlighting that Iran has been in a highly undesirable economic situation before, and that the Iran–Iraq War effectively rallied the population around an increasingly unpopular government.\textsuperscript{37}

Given this assessment, Iranian policy is geared towards deterrence. The strategic objective of Iranian security policy is to make the cost of a war with Iran so high that diplomacy will always appear preferable. The ultimate means of deterrence would be functioning and deliverable nuclear weapons. Since obtaining such a capability would risk precipitating war, the lower-risk alternative is the establishment of allied political parties and military forces capable of inflicting significant damage to US interests. In raising the cost, Iran also deters pre-emptive strikes on its nuclear infrastructure. Israel, being a small, targetable country, is the foremost target, with Iranian officials describing Hizbullah as ‘our strategic deterrent’\textsuperscript{38} because of the damage the group can inflict on Israel. Augmenting this are attempts to lay the foundations for an uprising in Bahrain, attacks on oil installations in Al-Qatif, and the rocketing of airports and shipping around the Arabian Gulf.

Despite Iran’s willingness to promote instability in the region by bolstering proxies and allies, the Iranian government makes a sharp distinction between instability in hostile as opposed to friendly countries. The Syrian Civil War – even though it has led to an increase in Iranian influence over Damascus – is largely seen as a strategic setback in Tehran. This is because Damascus was

\textsuperscript{34} Author interviews, AE and AF, 2017–2018.
\textsuperscript{35} Najmeh Bozorgmehr and Katrina Manson, ‘John Bolton Support for Iranian Opposition Spooks Tehran’, Financial Times, 2 April 2018.
\textsuperscript{36} Ali Fathollah-Nejad, ‘Opinion: There’s More to Iran’s Protests Than You’ve Been Told’, PBS NewsHour, 3 April 2018.
\textsuperscript{38} Author interviews, AE; a senior Iranian diplomat (AH), February 2018.
a partner in the ‘Axis of Resistance’ against Israel and contributed to Iran’s deterrence posture. Today Syria has become a dependent ally, with little to offer in a conflict with Israel except for terrain. The protection of Damascus was a non-discretionary conflict for Iran, maintaining the position of a friendly government. Although Iran has largely succeeded in protecting its core interests in Syria, Iranian intervention is understood as defending existing assets and as a drain on Iranian resources. The cost incurred by Iranian policy in Syria has also brought about protests in Iran, with Iranian citizens demanding that the money be prioritised for domestic infrastructure.\textsuperscript{39} Thus the non-discretionary cost imposed by regional instability threatening allies is believed to make the Iranian government more vulnerable to US attempts to foster internal opposition. Massive Iranian support to the Iraqi government following the fall of Mosul in 2014 was similarly seen as a non-discretionary move to protect a key Iranian ally, although Tehran’s policy has arguably been more successful in Iraq than in Syria. Conversely, fostering instability and protracting conflict in Bahrain, Saudi Arabia, Palestine, Afghanistan, and Yemen is seen as forcing adversaries to expend financial, military and political capital. Explaining Iranian policy in Yemen, an influential Iranian policy adviser noted that ‘we are doing to Saudi Arabia in Yemen what they have done to us in Syria’.\textsuperscript{40}

It may appear from this overview that Iranian strategy has purely defensive objectives. This is not the case; there are offensive objectives that have currency within the Iranian government. There is a consensus across the SNSC as to the deterrent value of building up allies and proxy forces. However, there are competing views on how the establishment of allies and proxies around the Middle East advances Iranian interests. Iranian foreign policy objectives revolve around two distinct perspectives: the national interest, and the revolutionary interest. This can represent a clear divide in thinking. As an officer in the IRGC explained, ‘we are revolutionaries; they are bureaucrats’.\textsuperscript{41} But the two perspectives are not mutually exclusive. Ali Akhbar Velayati, a former Iranian foreign minister and an ally of Supreme Leader Ayatollah Khamenei, is currently receiving praise from self-declared revolutionaries as a critic of President Hassan Rouhani. However, he is also a forceful proponent of nationalist rhetoric in his criticism of the JCPOA, which he compares to humiliating 19th-Century treaties that stripped Persia of territory.\textsuperscript{42} Indeed, in responding to a letter from former US President Barack Obama, Ayatollah Khamenei himself referenced Iranian grievances against the US that predated the Iranian revolution.\textsuperscript{43}

The nationalist perspective sees Iran as having a historic right to be a regional power, as a centre of trade, culture and scholarship. From this perspective, the granting of territorial and economic

\textsuperscript{40.} Author interview, AE.
\textsuperscript{41.} Author interview, AG.
\textsuperscript{42.} Rohollah Faghihi, ‘The Man Who Actually Runs Iran’s Foreign Policy’, Foreign Policy, 4 September 2018.
\textsuperscript{43.} Jay Solomon, The Iran Wars: Spy Games, Bank Battles, and the Secret Deals that Reshaped the Middle East (New York, NY: Random House, 2016), p. 171.
concessions in the 19th Century saw historic Persia diminished by colonial powers,44 which was a contributing factor to the Persian Constitutional Revolution of 1905–1912.45 Persian nationalists see a continual trend of exploitation, condescension and containment by the West, from the technical refusal to acknowledge Persia as an equal member of the ‘family of nations’,46 and the extraction of cheap oil,47 to the restoration of the Shah,48 and today the imposition of a sanctions regime aimed at containing Iran’s rightful power.49 Persian nationalists are often advocates of closer ties to Russia and China, not because of an aligned outlook,50 but because as allies these countries are perceived to exert fewer constraints on Iranian sovereignty.

The revolutionary outlook sees Iran as the fulcrum for the resurrection of Islam’s political primacy following the decades of Arab socialism, and for the correction of the subordination of the Shia dating back to the Battle of Karbala in 680 AD. Iran, as the one country in the Middle East run by the clerical establishment, has a historic duty to fund the education of Shia, and to offer them protection.51 Moreover, Iran has a duty to support the overthrow of oppressive regimes whose conduct is deemed un-Islamic – one Iranian cleric readily declared that ‘Wahhabis are not true Muslims’52 during an interview – and to restore Jerusalem to the faithful. Nationalists, by contrast, see Israel as an effective target for deterrence rather than conquest.

The emphasis placed on aggressive intent against Israel is a prime example of the confluence of rhetoric between nationalist and revolutionary perspectives. For the revolutionary wing, the liberation of Jerusalem is a sacred duty. The defeat of an occupying force on Muslim land is a rallying cry, and Iran’s prominence in that struggle is the vindication of its claim to lead the Muslim world. Anti-Semitism featured prominently in former leader Ayatollah Khomeini’s sermons, and

44. Edward Granville Browne, A Year Amongst the Persians: Impressions as to the Life, Character, and Thought of the People of Persia Received During Twelve Months’ Residence in That Country in the Years 1887-1888 (Cambridge: Cambridge University Press, 1927; first published 1893), p. 99.
50. Many Shia scholars envisioned Islamic principles as incompatible with both capitalist and communist systems. See Muhammad Baqir Al-Sadr, Our Economics, 4 Volumes (Tehran: World Organization for Islamic Services, 1982).
51. It has expended vast sums doing this around the world; see Paul Raymond and Jack Watling, ‘The Iranian-Saudi Proxy Wars Come to Mali’, Foreign Policy, 19 August 2015.
52. Author interview with an Iranian cleric (AI), August 2017.
has been a regular refrain of Iran’s leadership. The Israeli embassy was the first to be occupied after the revolution. Nationalists also support the development of offensive capabilities against Israel because it is the most effective target in building a strategic deterrent, and because it places Iran at the forefront of a regional struggle. Iran’s persistence in this struggle – in contrast to Egypt, or the Gulf – reaffirms the narrative that Iran is the true defender of Muslim interests, thereby furthering the country’s influence in the region. In Lebanon, for instance, it is largely Hizbullah’s status as ‘the resistance’ to Israel that has given it a diverse base of support. Considering the outlook of Shia communities in Saudi Arabia, Iran’s stance towards Israel has historically garnered support for Iranian policy. Hamas, meanwhile, has explicitly thanked Iran’s Supreme Leader for continuing to provide support while other Arab governments have abandoned the cause. Thus there is a marrying of nationalist and revolutionary narratives, since between them they affirm both that Iranian foreign policy pursues ethical ends, and that it advances the national interest.

Understanding Iranian policy as principally ideological is misleading, however. Both revolutionary and nationalist strands of Iranian policy are highly pragmatic. Ayatollah Khomeini, in his work *Islamic Government*, argued that in the revolutionary struggle, ‘if someone wishes to speak about an Islamic government and the establishment of Islamic government, he must observe the principle of *taqiyyah* [dissimulating one’s beliefs] and count upon the opposition of those who have sold themselves to imperialism’. The measure for whether deception and trickery was acceptable was whether it advanced the cause. If, on the other hand, ‘a *faqīh* anticipates that by his entering the service of an oppressive government, oppression will be furthered and the reputation of Islam soiled, he must not enter its service even if he is killed as a result’.

The notion of accepting assistance and collaborating with those with whom you ideologically disagree, because it furthers core objectives, is a consistent strand in Iranian policy. During the revolution, for instance, Khomeini allied with the Mujahedeen-e-Khalq, only to turn on them once in power. During the Iran–Iraq War, Iran relied heavily on Israeli arms supplies. Israel supported Iran because at the time it perceived Saddam Hussein as its primary threat. Nor

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has Iran hesitated in supporting radical Sunni militant organisations, many of which considered Shias to be heretics. It helped that there is a significant overlap in methodology\textsuperscript{60} – both Sunni and Shia radicals advocate self-sacrifice and armed struggle to bring about religious governance – but this does not diminish the essential pragmatism of Iran’s long-term relationship with and at times support for Al-Qa’ida, both before\textsuperscript{61} and after 9/11.\textsuperscript{62} There is no essential problem from the Iranian government’s point of view, therefore, with their support of Hamas, or its quiet assistance to Al-Qa’ida during the US occupation of Iraq. If it is perceived to advance the interests of the Iranian state, or the revolution, it is permissible.

Subversion in other states is necessarily hostile, and if pursued openly would rapidly escalate into a war. Iran therefore operates indirectly through the promotion of allied groups and proxy forces. The level of support for proxies, and areas of emphasis for Iranian activity, must therefore be carefully calibrated by Tehran. Iran does not have a uniform approach. There are close friends in the revolutionary struggle, such as Hizbullah, and there are allies of convenience, such as Hamas. Iranian policy is not one-dimensional.

\textsuperscript{61} Bergman, \textit{The Secret War with Iran}, pp. 234–35.
II. Assets and Alliances

The Iranian Army, the IRGC and Basij

BETWEEN 2014 AND 2017 there was a 37% increase in Iran’s official defence budget. The official budget significantly understates military expenditure, however, excluding several defence institutions and a large proportion of funding to the IRGC. The International Institute for Strategic Studies (IISS) estimates that Iran’s defence budget for 2018/2019 represents a 53% increase in real terms from 2014, totalling $24 billion. Even this is likely to be an underestimation, however. Beyond secret spending, the IRGC controls a vast network of businesses and properties, both licit and illicit, partly used to fund its operations. Further funding is drawn from religious finance to support the families of fighters killed in operations abroad. Religious finance, with followers of the Ayatollahs around the world giving a fifth of their profits in Khums (religious tax), is entirely opaque. It is important to note that this increase in military expenditure comes at a time when the Iranian economy is projected by the World Bank to contract by 1.6% in 2018/2019, assuming a 50% reduction in oil exports owing to the resumption of sanctions. Iranian officials expect up to a 60% reduction in oil exports.

That defence spending should continue to be prioritised at a time of fiscal adversity highlights Iran’s concerns that it may soon face war. The allocation of that spending also reveals a great deal as to how that war is likely to be fought. Over the past three years the Iranian government

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has deprioritised its army and navy in favour of the IRGC.\textsuperscript{69} This trend was further reinforced in 2018 with significant investment in the IRGC’s Khatam Al-Anbiya Central Headquarters as the new command centre in the event of war, instead of the Armed Forces General Staff.\textsuperscript{70} The shift of funds sheds light on Iran’s military calculus and reflects practical considerations. In a conventional conflict, Iran’s army will be of limited value. Iran’s air force consists of a small number of obsolete aircraft, many of which were imported before the revolution and therefore suffer from a lack of spare parts. Iran’s claim to be building a fourth-generation domestic fighter is a façade bordering on farce.\textsuperscript{71} One the caveats is Iran’s functioning fleet of around 43 F-14 Tomcats,\textsuperscript{72} flown by experienced pilots and extensively upgraded. In the context of a large-scale war, these aircraft would likely be grounded by US strikes on their runways and would be outclassed by US F22s and F35s. It is doubtful that Iran has sufficient air-to-air missile stockpiles to sustain sorties. However, as interceptors, Iran’s F-14 fleet could impose a serious cost on the Israeli Air Force (IAF) were Israel to attempt a limited strike. The result is that any strikes against Iran will have to be extensive, and would lead directly to a major conflict, unlike strikes undertaken against Iraq\textsuperscript{73} and Syria.\textsuperscript{74}

Besides Iran’s F-14 fleet, Iranian ground-based air defences further reduce the prospect of limited strikes. Although Iran lacks enough SA-20C missiles – and more crucially radars – to maintain an A2AD capability across its airspace, these systems present a formidable obstacle to strikes against key strategic facilities. Any strikes against Iran’s nuclear infrastructure would require the suppression of these systems, and therefore be a large military undertaking that would result in a regional war. While Iranian air defences would be unable to prevent an adversary gaining air supremacy, they significantly narrow the strategic options available to Iran’s adversaries.

Given that Iran’s air defences would be neutralised in the event of a large-scale confrontation, the Iranian army’s armour and artillery would be of limited use, being vulnerable to air attack, while Iran’s tanks are largely obsolete. The one component of Iran’s conventional land forces that poses a serious concern is surface-to-surface missiles. Iran is focusing on improving the accuracy and enlarging its stockpile of medium-range missiles,\textsuperscript{75} and is accused of infiltrating


\textsuperscript{70} Chandler, ‘Decoding Iran’s Defence Spending’.


\textsuperscript{72} IISS, The Military Balance, p. 336.


medium-range systems into Lebanon.\textsuperscript{76} While missiles in Lebanon are aimed at Israel, and some longer-range systems could be fired at Israel from Iran, in the event of a regional war the bulk of missiles in Iran would likely target military bases and oil infrastructure in Saudi Arabia, Bahrain (home to the US Fifth Fleet), Qatar (including the US’s largest airbase in the region), and economic infrastructure such as airports. These targets are already in range of much of Iran’s arsenal. Even small numbers of successful strikes on such targets – despite the limited payloads of missile systems – would impose a heavy cost. The main limitation on Iran’s capability in this area is its shortage of transporter-erector-launchers, which the Iranian government has been seeking to address. Iran has also been building a network of subterranean silos across the country.\textsuperscript{77}

Iran’s capacity to inflict damage across the Gulf and Strait of Hormuz is bolstered by its naval forces. Naval operations have increasingly become dominated by the IRGC whose small boats,\textsuperscript{78} drone-boats\textsuperscript{79} and commando forces are designed to inflict maximum damage on large US naval vessels, dispersing delivery systems across multiple targets to ensure that some get past US point defences. Iran is also likely to deploy sophisticated mines, which will severely constrain US naval movements. Beyond the threat to opposing naval forces, Iranian operations could inflict a very high economic cost by targeting commercial vessels and disrupting oil exports. It is important to note that these activities can be countered and overcome. Iran does not expect to defeat the US Navy, but to slow the build-up of US forces and increase the range of US aircraft from Iran’s border in the early phases of a conflict, enabling Iran to launch a greater volume of missiles before launch sites are struck.

Just as the IRGC has taken an increasing proportion of Iran’s military budget, so too is it taking over the command and development of surface-to-surface missile programmes and naval forces. This further demonstrates that Iran expects the IRGC to play the leading military role in a large-scale conflict, with effective capabilities centralised under a unified command. The IRGC and its subordinate organisation, the Basij, are preparing to undertake three roles in the event of war:

- Suppression of internal opposition
- Preparation of heavy resistance in complex terrain and urban areas
- Commando and insurgent deep battle

The Basij is assessed to have a standing strength of some 40,000 personnel, but the paramilitary force was founded as a mass mobilisation structure during the Iran–Iraq War, and will expand in

\textsuperscript{76} Author interviews with AA; author interviews with a senior Western intelligence officer (AK), October 2018, and a UN official (AL), telephone, October 2018.


the event of a large-scale conflict. As in the protests following Iran’s 2009 presidential election, the core of the Basij would be deployed internally to assist Iran’s security services in suppressing dissent. Iran’s 2018 budget saw an 84% increase in funding for the country’s law enforcement forces, strengthening the infrastructure for the regime to maintain control of urban centres.80 Between the likely strong nationalist reaction to foreign attacks on Iran and a religious motivation to defend Shia sites from non-Muslim adversaries, it is probable that the Basij will be able to mobilise at scale, and its inevitable narrative that internal dissent is promoted by Iran’s enemies would likely have purchase.

The second purpose for mobilisation will be to prepare for the defence of urban centres and complex terrain in Iran, and potentially in Iraq. Here the IRGC would use the skills and techniques they have developed in conflict with coalition forces in Iraq, against Israel in Lebanon, and in Syria to try and draw adversaries into exceedingly costly fighting, with the heavy use of IEDs and insurgent techniques. This has several advantages; adversaries’ technological superiority will be mitigated, and in concentrated areas Iranian forces would likely maintain local numerical superiority. It would ensure the infliction of casualties, undermining the political will of adversaries. If the adversary occupied the city with its civilian population, Iran could fall back on a protracted campaign of insurgency, fixing large enemy forces in urban areas. If, on the other hand, the adversary adopted a more destructive approach – similar to that employed in Mosul – then the international condemnation of civilian casualties would weaken the political position of the enemy and provide political cover for Iran’s employment of asymmetric non-conventional tactics such as suicide bombing.

Having secured itself internally and fixed an opponent, either in costly urban battles or by deterring them from attacking urban centres, Iran would have succeeded in protracting the conflict. The calculus in Tehran is that if an adversary cannot topple the government, the conflict will become an asymmetrically damaging stalemate for their enemies, because of attacks Iran can inflict beyond its borders. The primary vector for Iranian offensive action would be through missile strikes, commando and insurgent activities, using both the Quds Force81 and proxies to extend Iran’s deep battle to the Mediterranean Sea and into the Gulf. Attempting to assess Iran’s regional alliances collectively is highly problematic, because Tehran maintains distinct relationships with a wide array of often conflicting groups. The following sections examine Iran’s primary regional alliances bilaterally, spanning Lebanon, Iraq, Palestine, Yemen, and further afield.

Hizbullah: Iran’s Strategic Deterrence

Hizbullah is pivotal to Iran’s deep battle concept. Hizbullah is, as described by Iranian officials, ‘our strategic deterrent’,82 with any Western strike on Iran triggering a massive retaliation.

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80. Chandler, ‘Decoding Iran’s Defence Spending’.
81. The Quds Force is a unit of the IRGC charged with unconventional warfare and intelligence activities. It is also responsible for extraterritorial operations.
82. Author interviews with AE and AH.
against Israel. Iran’s determination to strengthen Hizbullah may also act as a driver of, rather than deterrent against, conflict. As Hizbullah expands its area of operations, and upgrades the accuracy of its missiles, Israel will increasingly face pressure to confront it.

Hizbullah’s ideological relationship with Iran dates from its foundation when a cadre of IRGC fighters took up residence in the Baqaa Valley in 1982. As such the organisation was, from the outset, closely aligned with Iranian policy, and the clerics who formed its Shura Council were followers of Ayatollah Khomeini, whose official representative had the deciding vote in case of deadlock. Hizbullah accepts the concept of Wilayat Al-Faqih, or the ‘guardianship of the jurist’, whereby the clerical leadership are also acknowledged to have judicial and political authority. Given that during its formation the IRGC were less powerful than they are today relative to their Lebanese comrades, it is important to bear in mind that although Hizbullah has consistently deferred final judgement on strategic matters to Tehran, the relationship is consultative, and Iranian officials remain receptive to Hizbullah’s advice, and respectful of its concerns.

Hizbullah is not just an Iranian proxy. It has considerable domestic political support in Lebanon, partly because it is the only force capable of effectively opposing Israel in the country – following two invasions – and has engaged in extensive social, charitable and reconstruction work. Hizbullah also has quasi-legal recognition as an armed force in Lebanon because of its status as ‘the Resistance’ to Israel. While the Taif Agreement ending Lebanon’s civil war required militias to disarm, Hizbullah was allowed to retain its weapons. Although Hizbullah’s entry into the Syrian Civil War was initially highly controversial in Lebanon, the rise of Daesh (also known as the Islamic State of Iraq and Syria, ISIS) has allowed Hizbullah to win that argument and expand its constituency by providing security to communities along Lebanon’s northeastern border. Crucially, Hizbullah is not the dominant force in Lebanon, but rather a highly influential organisation amidst a plethora of carefully balanced small political factions. In Lebanon’s 2018 parliamentary elections, Hizbullah secured 13 seats in the 128-seat chamber. Overall, Hizbullah has sway over around 40 seats held by fellow Shia parties and independents, and must therefore work closely with both the Free Patriotic Movement and Prime Minister Saad Hariri’s rival Future Movement.

84. James Love, Hezbollah: Social Services as a Source of Power (Hurlburt Field, FL: Joint Special Operations University, 2010).
86. Author interviews with a senior Western military officer (AM), October 2018; a Lebanese academic working extensively on Hizbullah (AN), Lebanon, October 2018; a Lebanese journalist working extensively in the area (AO), Lebanon, October 2018; and a Western intelligence officer working on Lebanon (AP), October 2018.
It is abundantly clear that Hizbullah is not currently seeking an escalation with Israel. Except for one retaliatory IED attack after an Israeli operation in Lebanon,\(^8^9\) Hizbullah has not significantly responded to Israeli strikes in Syria. There appears to be a tacit agreement that Hizbullah will respond to strikes against Lebanon, but for now will not retaliate against strikes in Syria. Nor is there any indication that Hizbullah intends to start the next conflict. As a senior UN official put it, ‘there is currently a balance of terror between Israel and Hizbullah, so that neither side wants an escalation’.\(^9^0\)

There is a widespread concern that Iran may disrupt this balance. As Israeli strikes against Iranian targets in Syria escalate, officials fear that the IRGC will seek to retaliate to deter more ambitious Israeli strikes. Since Hizbullah represents the most effective vehicle for retaliation, this would risk a dramatic escalation. As a senior European diplomat put it during an interview: ‘Do I think a limited conflict is possible at this point? No’.\(^9^1\) Iran would also respond to any major attack on its homeland by ordering Hizbullah to attack Israel. It is important to note that although Hizbullah does not currently seek such an escalation, Western diplomats\(^9^2\) and individuals closely connected to Hizbullah\(^9^3\) expect Iran to have little difficulty in persuading Hizbullah to support its policy. Iranian officials are also confident on this point.\(^9^4\) The challenge Iran faces is that while its current deterrence posture may be proving effective against a large-scale war, it is not stopping Israel from targeting its personnel in Syria. How Iran will establish that balance raises concerns of escalation.

It appears that Iran is seeking to deter Israel by developing guided missiles that would enable a precise response to Israel’s precise provocations. This capability was demonstrated on 17 June 2017 when the IRGC fired GPS-guided Zolfaghar missiles from Iran onto Deir Ez-Zor in Syria. Although only two of the six missiles fired hit their targets, Israel Defense Force (IDF) chief Gadi Eizenkot acknowledged that the strike ‘made a statement’.\(^9^5\) Most of Iran’s missile arsenal lacks the range to strike Israel, while precision is made harder over such great distance. There is also added political risk in firing over Iraq and Jordan. Iran has therefore shifted its effort, sending engineers to upgrade Hizbullah’s missile arsenal with precision-guidance systems.

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\(^8^9\) Initially Hizbullah claimed the IED was retaliation for an attack in Syria. See John Davison and Suleiman Al-Khalidi, ‘Hezbollah Targets Israeli Forces with Bomb, Israel Shells South Lebanon’,\(^9^6\) Reuters, 4 January 2016.

\(^9^0\) Author interview with AL.

\(^9^1\) Author interview with a European diplomat (AQ), Lebanon, October 2018.

\(^9^2\) Author interviews with AL; with AQ; and a British official with direct knowledge (AR), October 2018.

\(^9^3\) Author interviews with AO; a journalist in Lebanon close to the resistance (AS), Beirut, October 2018; and a member of Hizbullah (AT), Lebanon, October 2018.

\(^9^4\) Author interviews with AE; with AF; and an Iranian academic (AJ), February 2018.

Hizbullah is believed to have approximately 14,000 short-range ballistic missiles (SRBMs) and long-range rockets.\textsuperscript{96} This includes a wide variety of systems with varying payloads, ranges and accuracy.\textsuperscript{97} These platforms are too inaccurate to reliably target Israeli military installations but can effectively target civilian areas. Only a very small proportion of these have so far been given precision-guidance systems,\textsuperscript{98} but as a senior Israeli officer noted, ‘once the knowledge of how to do this is acquired, they can simply keep converting rockets’.\textsuperscript{99}

For Israel there is a turning point when the volume of these missiles poses an unacceptable threat to Israeli airfields, command centres, nuclear facilities and critical national infrastructure. Hizbullah’s leader Hassan Nasrallah has threatened to strike precisely these targets.\textsuperscript{100} Hizbullah’s acquisition of precision-guided missiles has therefore prompted a discussion in Israel as to when it will be necessary to escalate the conflict. At present, as Michael Herzog noted, ‘Israel has no defence against these missiles’.\textsuperscript{101} Although it is an effective anti-aircraft missile, the Patriot has a woeful track record in intercepting ballistic missiles.\textsuperscript{102} Iron Dome, designed to intercept short-range Palestinian and Hizbullah rockets, lacks the speed or range to engage ballistic missiles. David’s Sling, designed to engage short-range ballistic missiles, is so far deployed in limited numbers and has no operational track record. Hertzog noted that the system still requires refinement. Although many Iranian guidance systems depend on GPS – which can be jammed – the flight time from Lebanon would make reliable jamming difficult, would be disruptive for Israeli systems, and would likely not prevent the munition landing in Israel, even if it protected a specific target.

Despite neither Hizbullah nor Israel wanting another war, there remains a serious risk of a sudden escalation. For Israel, eliminating the threat posed by Hizbullah’s ballistic missiles means an extensive air campaign against their launch sites deep within Lebanon. For Hizbullah, launching missiles before the sites are struck is imperative. An escalation would therefore be rapid. Israeli planners expect Hizbullah to simultaneously unleash its rocket artillery across Lebanon’s southern border. Israel has publicly stated that Hizbullah possesses more than 120,000 such

\textsuperscript{96} Author interview with AN; with AP; with an Israeli academic close to Israel’s Military Intelligence Directorate (BP), November 2018.
\textsuperscript{98} Author interview with AP; with BP; and with an official close to Israeli intelligence (BY), January 2019.
\textsuperscript{99} Author interview with AA.
\textsuperscript{100} Yifa Yaakov, ‘Nasrallah: Israel’s Infrastructure Needs “Just a Few Rockets”’, \textit{Times of Israel}, 16 February 2013.
\textsuperscript{101} Herzog, ‘Israel, Iran and Russia’.
\textsuperscript{102} Jeffrey Lewis, ‘Patriot Missiles are Made in America and Fail Everywhere’, \textit{Foreign Policy}, 28 March 2018.
munitions. This figure is assessed by Western officials to be vastly inflated. As a senior Israeli officer noted, however, ‘the numbers are a lot less important than the capability’. What is not in doubt is that Hizbullah possesses a sufficient stockpile of Grad rockets in southern Lebanon to maintain a devastating barrage 30 km into Israel, while Israel intends to evacuate several civilian areas. The result is that IDF forces are likely to be forced to move north to seize the launch sites and push the bulk of Hizbullah’s arsenal out of range.

It is unlikely that the IDF would stop 40 km into Lebanon. The number of launch sites and weapons storage facilities underground would require raids and special forces to operate much further north, while the size of Hizbullah’s forces in the area precludes these operations being small. Estimates of Hizbullah’s deployable forces vary, but converge on a figure of around 30,000 ideologically and militarily trained fighters with battlefield experience in Syria, a further 5,000 fighters with military training and combat experience who lack ideological indoctrination, and a further 10,000 part-time troops with less extensive training. In the event of a war with Israel, Hizbullah would also enlist villages across southern Lebanon to provide material and logistical assistance, and to hold terrain on their behalf.

Having drawn the IDF into the Lebanese interior, Hizbullah will be able to use its extensive network of tunnels and fortifications, and Lebanon’s urban littoral, to mount a guerilla campaign. A major challenge that Hizbullah has identified in this regard is access to water, since venturing out of concealed positions to resupply risks their exposure. Both Hizbullah and Israel expect that these positions will be able to inflict significant casualties on the IDF. There is also an expectation that Hizbullah will engage in more coordinated and aggressive tactics, developed in Syria, which Nasrallah has said will include offensive operations in Israel. The IDF has taken this threat seriously, building an array of physical defences along their northern border. Even if Hizbullah does not succeed in operating inside Israel, it is clear that their forces will act far more aggression than in 2006.

In addition to direct confrontation with Israel, there is also the possibility that attacks will be carried out internationally in the event of war, initially targeting Jews, but potentially expanding to the nationals of countries participating in the conflict. Hizbullah has directly overseen terrorist attacks from Buenos Aires to Bulgaria. In the wake of the 9/11 attacks,
Hizbullah paused its terrorist attacks in case they were targeted in the War on Terror. Attacks recommenced in response to the assassination of Imad Moughniyah in 2008, but the pause had reduced Hizbullah’s operational capacity. Despite investment in rebuilding its international capabilities,\textsuperscript{110} Hizbullah has a limited pool of talent who are free to travel,\textsuperscript{111} and the law enforcement environment makes mounting attacks far harder today than in the 1990s. A further aspect reducing the likelihood of Hizbullah turning to international terrorism is that Iran and Hizbullah have invested heavily in messaging their role in fighting terrorism emanating from Daesh. Engaging in terrorist attacks would therefore come at a serious reputational cost. The possibility, however, cannot be ruled out.

If Hizbullah returned to using terrorism it would comprise three broad types of attack: the assassination of diplomats and intelligence officers; the kidnapping of foreign nationals, targeting junior partners involved in an anti-Iranian coalition to be used as leverage to deter significant participation; and the use of suicide bombing, first targeting Israel, second targeting Jews abroad, and third targeting diplomatic and military installations belonging to countries participating in the fighting. It is doubtful that Hizbullah would conduct direct attacks on non-Jewish populations in foreign cities; this has not been part of Hizbullah’s approach in the past. Such attacks would likely harden the position of states in an anti-Iranian coalition. By contrast, kidnappings have proven historically effective at dissuading countries from acting jointly.\textsuperscript{112} The point at which there could be a transition to a wider terrorist campaign would be after military operations against Iran had commenced, and the objective turned from deterrence to retaliation. Primarily, however, Hizbullah would be targeting Israel, including through Palestinian groups in the West Bank and Gaza.

Hamas and Palestinian Islamic Jihad: Fixing Israel

Iran’s support to Palestinian organisations engaged in armed struggle against Israel has been neither constant nor consistent. However, when the opportunity to arm and train Palestinian organisations has arisen, Iran – often acting through Hizbullah – has usually taken it. When in 1992 Israel expelled 415 Palestinians across the Lebanese border, Hizbullah provided training for some of them, particularly in bomb-making.\textsuperscript{113} These skills enabled a string of attacks following the Oslo Accords. Iran also provided funds and arms to Hamas and Palestinian Islamic Jihad (PIJ). But it is important to note that while Palestinian organisations share a common enemy with Iran, they do not share a political ideology, do not see themselves as Iranian proxies, and in

\textsuperscript{110} Author interview with AK.
\textsuperscript{111} Author interview with AN.
Hamas’s case, accept, but have not been historically dependent upon, Iranian financing, having raised funds from around the world.\textsuperscript{114}

The current relationship between Iran and Palestinian organisations is tense. Early in the Syrian Civil War, Hamas sided with, and provided training to, the Syrian opposition. Hizbollah troops intervening on behalf of Syrian President Bashar Al-Assad started to take casualties from IEDs that they had taught Hamas how to make. The result was a breakdown in relations. From 2012 to early 2013 Hamas retained a diversity of supporters, including Egypt’s President Mohamed Morsi. Between the 2013 coup that brought Abdel Fattah Al-Sisi to power, and Operation Protective Edge in summer 2014, Hamas found itself increasingly isolated. Israeli operations in Gaza severed Hamas’s smuggling routes, and the organisation lost a high number of personnel, along with most of its rocket arsenal. Iran – recognising the growing weakness of a partner in fighting Israel – sought to rebuild relations. After Hamas stepped back from Syria, liaison with Hizbollah was restored. Actual materiel aid reaching Hamas is minimal, however; ‘[t]hey are trying’, noted a senior Israeli officer, ‘but there isn’t much getting through’.\textsuperscript{115} This is both a consequence of Israel’s blockade and caution on Hizbollah’s part to avoid escalation.

Iran finds itself in a difficult position in Palestine. As Tareq Baconi has argued, Israel has effectively contained Hamas, which is suffering from declining support in Gaza and minimal military capabilities.\textsuperscript{116} During autumn 2018 the organisation negotiated via Egypt for a ceasefire. Iran has attempted to disrupt this process. Given that Iranian deterrence policy centres on Israel, it is in Iran’s interest to keep the conflict going. The rocketing of Israel from Gaza in October 2018 was carried out to try to undermine negotiations; Israel blames PIJ for this, with Iranian backing,\textsuperscript{117} while Hamas officials denied their involvement without suggesting a culprit.\textsuperscript{118} In either case, Iran has made it clear that it does not want any cessation in the policy of armed struggle. Responding to a letter from Hamas’s senior political official Ismael Haniyeh in April 2018, Iran’s Supreme Leader Ayatollah Khamenei argued that ‘resistance is the only way to free an oppressed Palestine’, urging the ‘zealous youth in Muslim and Arab countries, as well as governments that feel responsible towards Palestine, [to] seriously consider this as their duty: repelling the enemy to the point of annihilation, through strategic and vigorous action’.\textsuperscript{119}

\textsuperscript{115.} Author interview with AA.  
\textsuperscript{118.} Author interview with an academic with close connections to Hamas (AU), October 2018; and a Hamas official (AV), November 2018.  
Iran exercises no effective control over Hamas, and Hizbullah would struggle to coordinate attacks against Israel with the group. In the event of a conflict with Iran it is doubtful whether Hamas would perceive the conflict as an opportunity to attack Israel, since Hamas would suffer more in the exchange. However, if Hizbullah were attacking Israel, considerable pressure would be placed on Hamas to act in accordance with their rhetoric by their membership and by Palestinian actors more closely tied to Iran, such as PIJ. Iran may also seek to add to this pressure by publicly calling on Hamas to join the struggle, since Israel has made clear that it does not want to be distracted by operations in the south.

Attempting to assess Hamas’s value to Iran in terms of their conventional contribution to a wider Middle Eastern conflict, however, is to misunderstand Hamas’s role in Iran’s strategy. Hamas is much more important in preventing the Palestinian movement from abandoning armed struggle, and thereby undermining the Palestinian–Israeli conflict which is the fulcrum of Iran’s deterrence posture. Attacks and communications by Hamas were a major contributor to the failure of the Oslo Accords.\(^\text{120}\) Hamas’s ongoing military opposition to Israel, and the supply of arms from Iran, has left Israel convinced that lifting its blockade of Gaza, or loosening its grip on the West Bank, would simply cede ground to a force determined to attack the Israeli state. Since an agreement between Israel and the Palestinians would undermine Tehran’s strategic deterrence, Iranian support for Hamas acts as a spoiler in the peace process.

Iranian support for Hamas serves a second purpose, which bears directly on the political context of a large-scale conflict. Israeli officials fear that lifting the blockade of Gaza — enforced since 2007 to restrict flows of military or dual-use materiel into the area — would enable Iran to move more weaponry into the strip.\(^\text{121}\) However, the maintenance of the blockade incurs a significant and sustained political cost for Israel. Since a number of the hypothetical scenarios leading to a direct confrontation with Iran begin with a unilateral pre-emptive strike by Israel, the political damage to Israel incurred by its confrontation with Hamas would likely limit the number of states willing to back an Israeli pre-emptive strike, or willing to join a coalition moving to confront Tehran. Minimal support for Hamas allows Iran to fix Israel in a policy position that limits its international support, and therefore provides room for diplomatic manoeuvre by Tehran in the event of an escalating confrontation.

**Houthis: Fixing Saudi Arabia and the UAE**

Another conflict where Iran’s posture is primarily about fixing its opponents and inflicting political damage is Yemen. Few of Iran’s relationships have been as widely misrepresented as their ties to Yemen’s Houthi movement. Although the Houthis had been fighting the Yemeni
government since 2004, they gained international attention in 2014 after they seized the Yemeni capital, Sana’a, following protests over a cut in fuel subsidies. Seeking a way to explain who the Houthis were, news organisations focused on their Shia identity. On 15 October 2014, for example, Reuters reported that the ‘Shi’ite Muslim Houthi movement … has extended its control to the Red Sea port of Hodeidah’. The emphasis on their Shi’ism led to the Houthis being contextualised as part of a wider Middle Eastern sectarian conflict. Later the same day, Reuters reported on clashes between ‘Yemen’s new Shi’ite Muslim powerbrokers’ and Al-Qaeda in the Arabian Peninsula (AQAP), noting that ‘AQAP … views Shi’ites as heretics and Houthis as pawns of Iran’s revolutionary Shi’ite theocracy’. By February 2015 Reuters was explaining why the Houthis mattered by reference to ‘Saudi Arabia and other Gulf Sunni Arab allies who eye the Shi’ite Houthis with suspicion for being close to their regional rival Iran’. By the time that a Saudi-led coalition intervened in March 2015 to re-instate President Adrabbuh Mansour Hadi’s government, the epithet had been cut down to its now almost universal form: the Houthis had simply become ‘Iran-allied Shi’ite fighters’. Reuters was not exceptional in building this epithet, but representative of a widespread trend in reporting.

Yemen’s Houthi movement did have links with Iran. The movement grew out of the Youth Union in the 1980s where the renowned Zaydi scholar Badr Al-Deen Al-Houthi taught classes on the Islamic Revolution. In the 1990s his son Hussein Badr Al-Deen Al-Houthi formed a political party and continued to espouse Ayatollah Khomeini’s revolutionary methods. Hussein would later travel to Iran to study. But political admiration should not be confused for subservience. Khomeini’s project – and its success – inspired leaders across the Muslim world. The Muslim Brotherhood adopted his slogan ‘Islam is the Solution’. In spite of Hussein’s enthusiasm for Khomeini’s revolution, and there can be no doubt that Khomeini’s language is prevalent in Houthi literature, the Houthis are not in any sense subordinate to an Iranian political or religious vision. Hussein’s closeness to Iran drew criticism from fellow Zaydis early in the movement’s history. Not only is there a theological gulf between Twelver Shi’ism and Zaydism, but the Houthi political project of resurrecting a Zaydi imamate in Yemen is a local endeavour. The Houthi push south in 2014 came about because of the failure of Yemen’s National Dialogue process to ensure

the movement had a sufficient share of the country’s resources.\textsuperscript{128} In short, if you remove Iran from the equation, Houthi objectives and actions would likely be the same.

A second crucial element in understanding Iran’s relationship with the Houthis is that unlike groups in Iraq, the Houthis were never dependent on Iran for weaponry or training. Yemen has seen decades of internal conflict, and the Houthis fought six wars against the Yemeni government between 2004 and 2014. The Houthis have a well-established platoon-level tactical doctrine, operating in 20- to 30-man family-based units.\textsuperscript{129} Their success in northern Yemen was largely derived from their mastering tribal relationships, and had nothing to do with foreign support.\textsuperscript{130} They are competent and experienced combatants, and have no shortage of weaponry. When they took over Sana’a in 2014 they gained access to Yemen’s state arsenals. They had also entered into an alliance with Yemen’s ousted former President Ali Abdullah Saleh, whose officers had received extensive training both in the West\textsuperscript{131} and in Russia,\textsuperscript{132} and who provided the Houthis with training and staff planning for the employment of more sophisticated weaponry, including anti-ship missiles.\textsuperscript{133} Iran’s offer of support was therefore not critical for the Houthis, and gave Iran no leverage over the group.

The Houthis, however, were quite happy to accept Iranian assistance. Early in the conflict, Hizbullah sent a group of media experts to help the Houthis create domestic propaganda.\textsuperscript{134} Another group of IRGC advisers began teaching the Houthis to make mines and IEDs – providing Iranian components, which have now become ubiquitous in the conflict – and inflicted significant casualties on Saudi forces along the northern border.\textsuperscript{135} Quds Force personnel also provided designs for drones, which the Houthis have been producing domestically.\textsuperscript{136}


\textsuperscript{132} Author interview with a senior Yemeni officer (AW), telephone, September 2017.

\textsuperscript{133} Author interview with AW; and with a Yemeni researcher with direct knowledge (AX), London, April 2018.


\textsuperscript{136} Author interview with an independent researcher with direct knowledge (AY), telephone, September 2018; and with a Yemeni intelligence officer (AZ), September 2018.
each case Iran’s investment has been small: ‘they’re teaching people how to fish, rather than distributing fishing rods’, noted one analyst. The one exception is Iranian missile engineers who smuggled in components, and looted Yemen’s existing missile arsenal, to create missiles that were successfully fired at Riyadh.

The public demonstrations of Iranian involvement make clear Iran’s interest in being perceived as a hidden hand in Yemen’s civil war. One of the Houthis’ grievances before the conflict was that they had limited access to the sea. That Iranian-designed missiles have been fired from their territory makes this an unacceptable concession in negotiations with Saudi Arabia and the UAE. It also ensures that the Saudi-led coalition will not loosen its blockade while the conflict lasts. The result is threefold: by reducing the political space for negotiations, Iran is prolonging the conflict; by being visibly involved, while making a minimal investment, Iran forces the coalition to appear to have achieved a military victory before they can withdraw; and by fixing the coalition in the conflict, Iran inflicts lasting and substantial political damage on its adversaries. The conflict has also damaged Saudi Arabia’s relations with the US and Europe, all of which will reduce the unity of any anti-Iranian coalition in the event of a regional escalation.

Although Iran sees Yemen as a cheap win, fixing its opponents in a costly conflict, comparable to their own predicament in Syria, their relationship with the Houthis has started to take on new dimensions. In 2017 the alliance of convenience between Ali Abdullah Saleh and the Houthis broke down. After fierce fighting in Sana’a in December, Saleh was killed. His family and supporters were detained or killed. Those who were able fled to the UAE. They have now joined forces fighting against the Houthis on Yemen’s western coast, where Tareq Saleh is playing a prominent role in the assault on Hodeidah. Saleh’s death exacerbated a rift in the Houthi movement between those who felt that the movement had peaked in its territorial and tactical position, and should therefore seek to negotiate to secure the most favourable terms, and those who believed that Saleh’s death had strengthened the movement by eliminating enemies within. Following the killing of Saleh Al-Samad in a UAE strike in April 2018, power in the Houthi movement was consolidated by the hardliners, especially Mahdi Al-Mashat and Abdulmalek Al-Houthi. These individuals have, for some time, been courting better relations with Tehran.

The result has been a proliferation of Iranian advisers in Sana’a. Iran’s interests in Yemen are secured without extensive involvement. But that does not preclude Tehran from engaging further if the Iranian government perceives an opportunity to develop a permanent liaison in the region. Recruiting has started in Iraq for volunteers to fight in Yemen, although there is

137. Author interview with AY.
139. This is not to say that without Iran’s involvement a settlement would be simple, quick, or lasting.
140. Author interview with a former senior Houthi (BA), June 2018.
not yet evidence of troops moving to the conflict. In short, Saudi and Emirati concerns that the Houthis may facilitate Iran moving anti-ship and surface-to-surface missiles to Yemen are not implausible. It is important to appreciate, however, that any such position will be on the Houthis’ terms. The Houthis are not controlled by Iran, and Tehran has very little leverage.

Al-Hash’d Al-Shaabi and Iraq: Iran’s Gateway to the Middle East

Just as Iran’s relationships with the Houthis may strengthen, its relationships with groups in Iraq have changed over time. It is important to understand those changes to appreciate Iranian objectives in Iraq. Saddam Hussein brutally suppressed the country’s Shia majority. It is therefore unsurprising that Iran was able to recruit a number of Iraqis to fight against him during the Iran–Iraq War of 1980–88. At the time the IRGC was not as capable or powerful as it is today. The Iraqis who fought for Iran were friends and comrades with young IRGC officers who have since become powerful figures in Iran. The most high-profile example of this is the deep personal relationship between Hadi Al-Ameri, commander of the Badr Organization, and Qassem Suleimani, the IRGC commander of the Quds Force.

Following a failed Shia uprising in 1991, many Iraqis were active in smuggling arms into Iraq and organising resistance to Saddam Hussein, which necessarily involved collaboration with criminal groups. The criminal architecture created for that struggle survived the 2003 US–led invasion, and these same commanders came to control weapons flows to local militant groups that were opposing foreign forces in Iraq. The result was an influx of recruits to ‘special groups’ funded and equipped by Iran.

Despite the political stature of some of the commanders of these groups, the armed wings lacked legitimacy. This changed in June 2014 after the Iraqi army collapsed, losing control of 40% of Iraqi territory to Daesh. In response, Grand Ayatollah Ali Al-Sistani – the most senior cleric in Shia Islam – issued a fatwa declaring that:

Citizens who are able to carry a weapon and fight the terrorists to defend their country, their people and their holy places must volunteer to join the security forces ... The defence of Iraq by our sons in the armed forces and the other security services is a sacred defence ... Make it your aim and your motivation to defend the sacred places of Iraq and its unity.

142. Shohadaye Iran [Martyrs of Iran], ‘Vaghti Shohadaye Khareji Faramoosh Shodand’ ['When Foreign Martyrs were Forgotten'], 8 November 2013, <http://shohadayeiran.com/fa/news/18953/%D9%88%D9%82%D8%AA%D8%8C-%D8%B4%D9%87%D8%AF%D8%A7%D8%8C-%D8%AE%D8%A7%D8%B1%D8%AC%D8%8C-%D9%81%D8%B1%D8%A7%D9%85%D9%88%D8%B4-%D8%B4%D8%AF%D9%86%D8%AF>, accessed 1 January 2019.
Hundreds of thousands of volunteers heeded his call, but the armed forces – which had proven incapable of managing their existing formations – were unable to integrate them. The result was the formation of the Popular Mobilization Forces (PMF), or Al-Hash’d Al-Shaabi, an umbrella of more than 40 formations, including insurgent networks, the armed wings of political parties, and new units funded by the Shia religious authorities in Iraq, each with their own force structure.

Theoretically under the control of the prime minister, these units were officially integrated into the Iraqi security forces in November 2016, but in reality act, at best, in liaison with Iraq’s army. During Iraq’s 2018 parliamentary elections, several political factions ran candidates, portraying themselves, and their associated PMF units, as liberators.

There is a tendency for the PMF to be described as an organisation of direct Iranian proxies. This is a problematic generalisation. The total salaried forces of the PMF amount to 110,000 personnel. The actual deployable PMF forces come closer to 70,000. Of these, around 20,000 of the best-trained and -equipped are both fiercely loyal to Iraq as a concept, and hostile to Iran’s policy in the country. A further 20,000 comprise units that – while pragmatically willing to accept Iranian equipment – are first and foremost Iraqi and are pursuing their own agendas. In some cases, as with Muqtada Al-Sadr’s Saraya Al-Salam, these units are bitterly opposed to foreign interference in Iraq, and while this manifested in cooperating with Iran to attack US forces during Iraq’s occupation, the unit is not welcoming of perceived Persian arrogance in Iran’s dealings with Iraq.

The remaining 30,000 Hash’d are primarily divided across the Badr Organization, Asaib Ahl Al-Haq (AAH), Kata’ib Hizbullah, and a number of associated client Sunni militias, all of which are aligned with, but not entirely subordinated to, Iran. Kata’ib Hizbullah is the force over which Iran exerts the most direct control. It emerged from an insurgent special group, and its leader, Abu Mahdi Al-Muhandis, formerly worked with the Quds Force against Saddam Hussein. The force is despised, however, by a large proportion of Iraq’s Shia establishment, seen as serving a foreign power, and renowned for its brutality. Kata’ib Hizbullah won no seats in the 2018 parliamentary elections.

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149. Author interview with a senior PMF commander (BB), Iraq, November 2017; with a senior DoD official (BC), London, November 2018; and with a senior Iraqi official (BD), December 2017.
150. Author interview with a provincial official in Karbala (BE), November 2017; with a senior member of the PMF Commission (BF), Iraq, October 2017; and with a senior Iraqi cleric (BG), Iraq, November 2017.
Asaib Ahl Al-Haq is similarly known for highly sectarian violence,\(^\text{151}\) and was responsible for over 6,000 attacks on coalition forces during the occupation. Qais Al-Khazali, the leader of AAH, is considered something of a loose cannon among Iranian officials,\(^\text{152}\) and while a useful partner, is not seen as subordinate to Iran. During the US occupation, AAH was a valuable proxy for Iran in attacking US forces, and subsequently helped in combating Daesh. But as Iranian policy moves towards stabilising Iraq as an ally, the sectarian behaviour of AAH becomes a liability. Qais Al-Khazali has had some success in presenting a more moderate image: engaging on television with Kurdish leaders after the offensive on Kirkuk,\(^\text{153}\) and softening his rhetoric. In alignment with Badr, AAH won 15 seats in Iraq’s parliament in 2018. Nevertheless, the relationship with Iran is tense, and Iran has asserted considerable pressure for AAH to send fighters to Syria.

The Badr Organization, by contrast, is large and has deep influence within Iraqi institutions, having controlled the Ministry of Transportation and Ministry of Interior for several years. It is the most powerful PMF formation, and its leader, Hadi Al-Ameri, is a close friend and former comrade of Qassem Suleimani. Badr is not under Iran’s effective control, however. Indeed, while Iran has been consistently critical of US forces being based in Iraq,\(^\text{154}\) Al-Ameri has suggested that they stay.\(^\text{155}\) Similarly, Al-Ameri has approved wide-ranging contracts for US companies working in Iraq. Al-Ameri, while a religious follower of Khamenei, perceives himself to be Iraqi. He does not think that Iraqis should be subordinate to Persians, and while he aligns with Iran’s revolution, he is less willing to subordinate Iraq to Iran’s national interests. He sees himself as a partner of, rather than subordinate to, Iran. Indeed, a close friend of Iran’s Foreign Minister Mohammad Javad Zarif joked that it was often hard to tell ‘who makes our Iraq policy; us or the Iraqis’,\(^\text{156}\) referring to Al-Ameri’s relationship with Iranian commanders. He was exaggerating for effect but making a serious point. It is also important to note that Badr’s large membership includes many Iraqis who do not see themselves as Iranian assets, and if Badr acts in a manner that advances Iranian interests at Iraq’s expense, it could split. Because it has access to the state budget, Badr is not dependent upon Iranian money or weaponry.

There are also structural limits on Iranian influence in Iraq. The clerics of Najaf, headed by Ayatollah Sistani, largely oppose Iranian religious doctrine.\(^\text{157}\) While some in the Najaf Hawza (seminary) espouse Wilayat Al-Faqih – the religious doctrine whereby religious scholars ought


\(^{152}\) Author interview with AF; and with a Hezbollah officer in Iraq (BH), Arbaeen, November 2017.


\(^{156}\) Author interview with AE.

Iran’s Objectives and Capabilities

to also wield political authority – their interpretation of its principles differ from those of Ayatollah Khomeini’s. Most notably, Ayatollah Bashir al Najafi advocated Wilayat Al-Faqih with the religious authority as a kind of Supreme Court, rather than executive.158 Sistani, meanwhile, adheres to the quietest school, believing clerics should remain as private advisers, rather than public officials. Sistani and his colleagues have considerable religious authority within the Iranian-aligned PMF units, and even more so across the wider public. Indeed, the legitimacy of the PMF units is partially maintained by Sistani’s fatwa. The status of having defeated Daesh is not exclusively – or even primarily – that of the Iranian-aligned units and is therefore unlike Hizbullah’s reputation as ‘the resistance’ against Israel. Moreover, the campaign against Daesh was a one-off event, whereas Hizbullah’s struggle against Israel is ongoing. Unlike Hizbullah’s extensive charity and reconstruction work, the Iranian-aligned PMF units draw heavily on the Iraqi state budget.159 With protests against expenditure in Iran, Tehran has started to charge PMF units for military aid,160 and investment in the local economy has primarily come from Baghdad, or from Iraq’s clerical establishment in Najaf.161 The result is that while Iran has considerable influence in Iraq, and the capacity to act as a spoiler against Iraqi politicians, there are significant constraints on their activities.

It is only by appreciating these constraints that Iran’s policy towards Iraq can be understood, and therefore how it would use the country in a large-scale confrontation. First, Iraq – because of the West’s desire to stabilise the country – provides a valuable market for Iranian goods that will be minimally affected by Western sanctions, and will enable continued exports via Iraq even as the US sanctions regime is resurrected.162 Iranian officials claim that approximately 70% of their non-oil exports are to Iraq. Second, Iraq provides a pool of recruits, and a land bridge for materiel and men being moved to other states. Iran is invested in Iraq’s stability, since instability in Iraq could easily spill over Iran’s border;163 this is especially true of attempts at Kurdish independence.

158. Stated in person to the author in Najaf in both October 2016 and October 2017.
159. Author interview with BF; with a PMF accountant (BJ), Iraq, November 2017; and with a senior PMF officer (BJ), Iraq, October 2017.
160. Author interview with BB; with BJ; and with a PMF quartermaster (BK), October 2017.
161. Author interview with an Iraqi minister (BL), Iraq, December 2017; with a senior official in the Al-Attaba Al-Husseiniya (BM), Karbala, October 2017; with a senior official in the Karbala governor’s office (BN), Iraq, October 2017; and with an official in the Najaf Chamber of Commerce (BO), Iraq, November 2017.
162. Partly due to the black market, and partly because of lenience shown to Iraq to avoid destabilising Baghdad, see Anthony Dipaola and Khalid Al Ansayry, ‘Iraq Gets Exemptions from US Sanctions on Iran’s Energy Exports’, Bloomberg, 6 November 2018.
163. The attack on Iran’s parliament by Daesh was a shock in Iran, see Reuters, ‘Iran Court Sentences Eight Men to Death Over Islamic State Attack’, 13 May 2018; the attack on a military parade had a similar effect, see Hilary Clarke, Hamdi Alkhshali and Jennifer Hauser, ‘29 Killed in Attack on Iranian Military Parade’, CNN, 4 October 2018.
This stability, however, is with Iraq as an ally. Given its importance for Iranian trade, Iran does not oppose Iraq maintaining relations with the West. At present the US’s military presence is tolerated, because of the PMF’s dependence on coalition air support.\textsuperscript{164} However, the establishment of large Western military bases in Iraq is a red line for Tehran, as they could be used to facilitate an attack on Iran. Senior IRGC officials were adamant that a large permanent US military presence would demand countermeasures,\textsuperscript{165} likely involving attacks on personnel and bases through aligned PMF units, which the commanders of those units have threatened to undertake.\textsuperscript{166} The US has made clear that any such move will lead to a kinetic response. In the context of a major confrontation, Iran’s objectives in Iraq would be to use the country as a transit route for its command and control of proxies elsewhere, and as a buffer zone to lengthen the distance for aircraft striking Iran. The PMF would not constitute a major strategic asset, other than imposing a cost on foreign forces entering Iraq, and as a recruiting base for experienced fighters to defend Qom and other Iranian cities.

**Bahrain and Al-Qatif: Subversion and Subterfuge**

In Lebanon, Iraq, Palestine, and Yemen, Iranian policy has sought to co-opt groups in a contested space. In Bahrain and Saudi Arabia, the policy is much narrower. Shortly after the Iranian revolution, there was both an attempted coup in Bahrain and widespread protests in Al-Qatif; Iran supported both movements.\textsuperscript{167} In the context of rising tensions with Israel, protests have erupted in Al-Qatif on several occasions, on issues directly relating to Israeli activity. Were a conflict to develop between Israel and Iran, it is plausible that this would be repeated. Iran’s interest in supporting these protests is self-evident. Al-Qatif includes Jubail Industrial City, a major oil facility, while Bahrain provides a base for the US Fifth Fleet. Moreover, for Persian nationalists, Bahrain is viewed as historically Iranian territory.

However, it is vital not to mistake Iranian support for protests in these areas for widespread support for Iran among their Shia populations. In religious matters, Ayatollah Sistani and his colleagues in Najaf have more authority than Ayatollah Khamenei in both regions. Attitudes among Sunni and Shia Bahrainis are often favourable to the West, and while there is considerable sympathy among Shia for Iran’s policies, that does not mean that protesters are under Iranian influence.\textsuperscript{168} They have their own domestic grievances. Meanwhile, protests in Al-Qatif have,

\textsuperscript{164} Author interview with BC; and with AC.
\textsuperscript{165} Author interviews with AF; with AG; with Al; and with BJ.
\textsuperscript{166} Ali Choukeir, ‘By Law or Force: Iraq’s Shiite Armed Groups Vow to Oust US Troops’, Agence France Presse, 7 February 2019.
\textsuperscript{167} Author interview with the deputy of one of Iran’s unofficial envoys to the 1979 protest movement in Al-Qatif (BQ), Arbaeen, 2017.
since 2008, diverged from Iranian interests and coalesced around domestic Saudi issues. Individuals involved in organising those protests have often sought to avoid Iranian involvement, because it would damage their domestic goals. ‘They use us’, as one sheikh from the region put it; ‘we suffer from their propaganda’. The number of people prepared to engage in attacks on security forces is very small, and most of these are primarily concerned with the rights of their community, not with Iran’s political project. It is also worth noting that the likelihood of the Shia population in either Bahrain or Saudi Arabia defeating the security services is minimal, especially with Saudi Arabia supporting Bahrain in suppressing the opposition.

Iran has come to the same conclusion. With a limited capacity to co-opt opposition groups, Iranian policy in both regions is geared towards the establishment of small insurgent units, using the protest movements as cover, which in the event of a larger conflict can carry out sabotage operations and disruptive attacks against economic and military installations. Smuggled IED components and weapons from Iran have appeared in Bahrain. The same cannot be said in Al-Qatif, where Iranian officials note that their penetration is far less extensive. ‘It is a capability we want to develop’, noted a friend of Iran’s foreign minister; ‘we want to be able to impose a cost on Saudi Arabia, but we are not there yet’. Beyond small-scale attacks on installations, the stirring of domestic opposition to the government, and tying down Bahraini and Saudi forces in domestic security, Iran recognises that both countries suffered reputational harm from their crackdowns following the 2011 Arab uprising, and any repeat would weaken the diplomatic unity of any anti-Iranian coalition.

170. Author interview with a sheikh from Al-Qatif (BR), Arbaeen, 2017.
173. Author interview with AE.
III. Limitations and Vulnerabilities

While the preceding survey highlights the extent of Iran’s reach, it also indicates the limits of Iranian influence, and suggests key weaknesses in Iran’s strategy. It is vital not to exaggerate Iran’s capabilities, because to do so could precipitate conflict, and exclude viable alternatives. The main weaknesses in Iran’s strategy are:

- Limited finances
- The cynical exploitation of Shia communities
- An inability to protect deniable forces
- Limited command and control
- Military inferiority

It is a persistent feature of Iranian proxy warfare that activities are undertaken at minimum cost. The preference is always to link proxies to governments and gain access to state arsenals. Hizbullah, for instance, has been transferring weaponry from Syria.\textsuperscript{174} The PMF has taken weaponry from the Iraqi government.\textsuperscript{175} Iran has prioritised overseeing the conversion of mines from Yemeni stockpiles into IEDs rather than shipping in materiel.\textsuperscript{176} This approach is pragmatic and cost-effective, with local supply far easier than shipping materiel from Iran, but it also highlights Iran’s tenuous finances, which will only get worse with the tightening of sanctions. Indeed, in Iraq the Iranians have cut back funding to several PMF units. Funding has also been severely curtailed to a number of militia groups in Syria, with a corresponding diminution in influence.\textsuperscript{177} The impact of fiscal constraints on Iranian proxy warfare is accentuated in relationships with groups that are not ideologically aligned with Tehran.

Since Iran’s proxies are integral to the country’s strategic deterrence, there is only so far that costs can be reduced. In short, budgetary constraints place Tehran in the position of choosing between reducing its strategic deterrence or facing domestic criticism for the amount of funding it is sending abroad. This opens Tehran to a vulnerability to information operations designed to inform Iranians about the amount of their money that is spent abroad, with emphasis on the cost of failed operations, the moral shortcomings of the individuals operating with Iranian financing.

\textsuperscript{174}. Author interview with AK; with AM; with AO; and with AP.

\textsuperscript{175}. The author travelled with Hash’d units in October 2016 and throughout the autumn of 2017. This observation was drawn from discussion with their armourour, quartermasters and troops. The author also observed Hash’d units acquiring tanks from the Iraqi government.

\textsuperscript{176}. Author interview with AW; with AY; and with AX.

\textsuperscript{177}. Author interview with a Syrian community leader with direct knowledge (BT), Turkey, October 2018; and with a journalist working in Syria (BU), Turkey, October 2018.
and corruption in partner organisations. The more the cost of Iran’s proxy policies are exposed to the Iranian population, the more the Iranian government must justify the expenditure by reference to Iran’s national interests.

Emphasising the national interest, however, is harmful for Iran’s proxy relationships because such rhetoric makes clear the essential cynicism with which Iran treats Shia communities outside its borders. Whatever its rhetoric about defending Shia communities, the basis of its deterrence strategy is to sacrifice Shia populations in Lebanon, Al-Qatif, Bahrain, and elsewhere, since it is in their communities that Iran seeks to attack its adversaries, while simultaneously offering very little by way of protection. In Bahrain and Al-Qatif, this has already led to reluctance among many community leaders to engage with Iran. In Lebanon the situation is different; Hizbullah’s role as the resistance to Israel gives it credibility. But that status is vulnerable if Iran forces Hizbullah to provoke a conflict with Israel, rather than Israel initiating a conflict against Hizbullah. When Quds Force officers boast of their pivotal role in turning the tide against Daesh in Iraq, or retaking towns in Syria, the communities who mobilised under their leadership often feel used by Iran, and resent the superior attitude adopted by Iranian officers. Allies who may be willing to accept Iranian leadership in the revolutionary project, or in the sect’s interests, are less willing to sacrifice themselves for Persian nationalist ambitions. Indeed, the level of resentment against Iran in Iraq is considerable, and several of Qassem Suleimani’s attempted deals during the negotiations to form Iraq’s government collapsed. One of these deals strongly highlights the limits of Iranian influence. Despite a long-standing relationship with the Patriotic Union of Kurdistan (PUK), Tehran opposed the PUK’s candidate for president and Qassem Suleimani worked hard to support the Kurdish Democratic Party (KDP) candidate. His effort failed, and worse still, in switching sides, Tehran damaged its relations with the PUK. Iran may remain the most influential external actor in Iraq, but it is constrained by a need to seem not to be meddling.

This raises another important vulnerability for Iran. While Iran can offer weaponry, limited finances, logistical support through its diplomatic network, and a safe training area in Iran, it can offer little protection to its partners. The proxy will always be doing the heavy lifting. Unlike Iraqi forces attacking Mosul, Iran’s allies cannot expect cover from Iran’s air force. The result is that proxy forces can be placed in a situation where they must consider the value of Iran’s support versus the consequences for them domestically. The US has stated publicly, and even more emphatically in private, that it will use force against Kata’ib Hizbullah and AAH in Iraq if they attack US facilities. Given Iran’s hope that these forces would prevent the US from establishing a permanent presence, neither PMF unit has proven effective at containing the US. In fact, while Iran has been vigorously messaging against a long-term US presence, Badr Organization leader Hadi Al-Ameri, who commands considerable leverage over AAH, stated that

178. Author interview with a senior Iraqi official (BW), by telephone, December 2018; with a Kurdish politician (BX), by telephone, December 2018; and with AC.
179. Huckabee Sanders, ‘Statement by the Press Secretary’.
180. Author interview with AB; and with AC.
'we need their help', and made it clear he was prepared for an ongoing security relationship.\textsuperscript{182} In Bahrain and Al-Qatif there are few illusions that Iran can protect their allies, and consequently little to be gained by taking risks on behalf of Tehran, except by a committed minority.\textsuperscript{183} In Syria, many of Iran’s funded militias were mobilised with the promise of pay rather than ideological commitment.\textsuperscript{184} While Iran was effective at holding sway over a large number of militias aligned with the regime, those militias mobilised for a wide array of reasons, and for some time Russia and the Syrian regime have been working to pull groups out of the Iranian orbit.\textsuperscript{185} There are groups in Syria that are firmly under Iranian control, but this split within the pro-Assad coalition is likely to both lengthen Iran and Russia’s involvement and increase the cost as some militias shop for the best offer from competing patrons.

In Gaza, Hamas is negotiating with Israel through Egypt, and Iran has a limited capacity to shape the outcome, although they have tried to spoil the process via PIJ. In Lebanon, Hizbullah is uniquely aligned with Iran, but sanctions impose a set of constraints on Hizbullah’s Lebanese support base, who do not want their support for the party to undermine their business interests. Unfortunately for Hizbullah, it is precisely the business interests of these supporters that make them valuable to the organisation. In short, what appears to be a formidable proxy network in aggregate can be tackled effectively in detail. An important point in this regard is that avenues must be provided for Iran’s proxies to shift away from Tehran. If Tehran is their only support, the relationship will survive, but if Iran’s proxies are forced to choose between Iran’s interests and those of their domestic constituencies, their choice will not inevitably favour Tehran.

There is also a limit to Iran’s command and control over its proxies. Other than Hizbullah, the liaison is through personal relationships between Quds Force officers and the leaders of partnered organisations. If Iran wishes to coordinate these efforts, it must liaise with each organisation bilaterally. Moreover, once Iran has convinced an organisation to act, subsequent reactions will be shaped by the local conflict, and Iran will lose its ability to coordinate the efforts of its allies. A further vulnerability lies in the actual channel of liaison. Since many of the officers coordinating Iran’s relationships must physically travel to meet with their partner, and are widely associated with criminal acts, it should be possible to identify and detain these individuals. Even if ultimately unsuccessful in apprehending the couriers, such a policy would greatly reduce the efficiency of Iran’s negotiation with proxy forces.

Furthermore, it must be remembered that Iran’s entire strategy is premised upon the fact that its military forces are considerably weaker than its primary adversaries. Unless Tehran secures a nuclear weapon, this will remain a constant. The proxy strategy is also only effective due

\textsuperscript{183} Souad Mekhennet, Missy Ryan and Shane Harris, ‘In Bahrain, a Smoldering Insurgency Reveals the Resilience of Iran’s Proxy War’, \textit{Washington Post}, 18 May 2018.
to the weaknesses of the states in which it is pursued. If the Iraqi government stabilises, it will likely remain friendly with Iran for economic reasons, but Iranian influence over security policy will diminish. If a settlement is reached in Yemen, Iran’s investment in the conflict will have proved ineffective. As Lebanon’s army is trained, while retaining popularity among the Lebanese public, Hizbullah’s significance will be diminished. Iran is also deeply invested in exaggerating its influence, precisely because this bolsters its deterrence posture. A senior Western diplomat noted how Iranian colleagues liked to boast that they held ‘the hidden hand in seven Arab capitals, and you could see our colleagues in the Gulf counting them off: Beirut, Damascus, Baghdad, Ramallah, Doha, Sana’a … but where was the seventh? It really annoyed them’. Iran’s weakness should not lead to complacency. The Islamic Republic can inflict a great deal of damage in the event of a major escalation, and its policy is not only destabilising, but has entrenched bitter conflicts between Israelis and Palestinians, and between the Saudi-led coalition and the Houthis. Nevertheless, its position is tenuous, and the coordination of law enforcement internationally can significantly reduce both its leverage and effects.

The most acute flashpoint in the relationship is Iran’s smuggling of precision-guidance systems into Lebanon to upgrade Hizbullah’s missile arsenal. Left unchecked, this represents the most likely cause for war. While any coalition that includes the US would be able to defeat Iran’s military, it is doubtful that Iran’s theocracy could be removed without an extensive ground invasion, for which there is little appetite. It is therefore questionable as to whether such a confrontation would end the conflict. Instead it would likely deepen it. Regrettably, we are now in the position where, by accident or design, a major confrontation may occur, even while a majority of the participants see it as highly undesirable. The coordinated application of pressure on Hizbullah to limit its offensive capabilities must therefore be a key policy objective. Despite major rifts between Russia and the US, there is scope for substantive international cooperation on this front. Any escalation between Iranian forces in Syria and Israel would likely pose a serious threat to President Bashar Al-Assad and would therefore undermine the objects of Russian policy in the region. It is therefore as much in the US’s interests as it is in Russia’s to reduce tensions in southern Lebanon, and Russia has proven itself willing and able to significantly contain Iran in Syria. The opportunity to avoid conflict exists and must be taken up as a matter of urgency.

186. Author interview with a senior British diplomat (BV), London, June 2018.
Conclusion

INACCURATE PREDICTIONS ABOUT hypothetical wars are as numerous as the books that propound them. This paper has attempted to explain why the Iranian government is preparing for a major conflict. How such a conflict would unfold may differ radically from the expectations of those that participate in it. However, belief in this conflict’s likelihood is fuelling a regional arms race that risks turning fears into reality. It is also an unfortunate byproduct of the strategies employed in preparing for conflict that so long as policymakers in Iran, Israel and further afield believe war to be likely, the proliferation of arms, capital and proxy activity in the civil wars ravaging the region will perpetuate. Finding a pathway for de-escalation is not just an important objective for reducing the likelihood of a large scale war, but is critical if we are to achieve the wider security, stability and development which have been the stated object of Western policy in the region for three decades.

Perhaps the biggest obstacle to a non-military solution to the ongoing conflict is not Iran but the lack of clear and credible objectives for diplomats to pursue, particularly in the US. Over the course of this paper, it has been maintained that Iranian foreign policy constitutes a rational and coordinated effort to deter aggression against the Iranian government, ensure its regional influence, and spread a common political ideology among a number of constituencies. By contrast, there is an absence of credible objectives among Iran’s opponents, except in Israel, where those objectives are narrow and defensive. US Secretary of State Mike Pompeo’s insistence that the US does not want regime change, while demanding that Iran must dismantle all of the institutions and principles that constitute its government, is a contradiction in terms. In any case, those who argue that the end goal is an Iranian secular democracy are evading the issue. If Iranian policy better reflected the wishes of its population – and it should be noted that large segments of the Iranian population do affect current policy – it is entirely plausible that the Iranian government would advance policies which Western governments, and other Middle Eastern states, would perceive to be threatening and hostile. Indeed, when Iran had stronger democratic institutions, between the Constitutional Revolution and the restoration of the Shah, foreign states worked extensively to undermine the will of the Iranian people, precisely because their choices were antipathetic to their interests.

It is similarly nonsensical to argue for a policy of maximalist containment. The expectation that Iran should have no influence in Iraq, when the two countries share a 1,458 km land border and significant trading relationships, is unrealistic. The question is what degree of Iranian influence in the region is acceptable, and how Iran could wield it without being perceived as a threat. Until

those states that perceive Iran to be a threat define what a mutually acceptable relationship with Iran looks like, they will be locked in a regional struggle, and as long as that struggle persists, so does the risk of war.
About the Author

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