Testimony of Mara Karlin, Ph.D.

Associate Professor of Practice and Associate Director of Strategic Studies,
The Paul H. Nitze School of Advanced International Studies (SAIS)
Johns Hopkins University
House Committee on Foreign Affairs
Hearing on "Attacking Hizballah's Financial Network: Policy Options"
June 8, 2017

Chairman Royce, Ranking Member Engel, and Members of the House Committee on Foreign Affairs, thank you for this opportunity to appear before you today to discuss Hizballah. The Committee's leadership on Middle East affairs is essential, and I am grateful for the opportunity to share my expertise and assist with your mission.

Having examined Hizballah as a national security policymaker and as a researcher for nearly two decades, I can confidently say that this is a critical time to assess it. While its nefarious activities have been a concern for the United States since its creation, Hizballah is facing unparalleled challenges amidst a dynamic period in the Middle East. Such challenges can offer opportunities to those opposing Hizballah's deadly mandate, but also present indicators and warnings about further regional instability. Effectively tackling the scourge Hizballah presents by minimizing its financing will benefit from grounding in a political-military context. Today I look forward to doing so and to offering suggestions as to how the Committee should consider acting.

### Hizballah's History

A coalescence of events throughout the late 1970s and early 1980s, including the Lebanese civil war, nascent activism among the Lebanese Shia community, the disappearance of a major Shia figure (Imam Musa Sadr), multiple Israeli invasions, and Iran's revolution enabled Hizballah's establishment. Iranian military training and financial assistance to Hizballah began early on and the fruits of its investment were clear in the horrific bombings against American installations in Lebanon throughout the early 1980s, most famously the U.S. Embassy and the Marine barracks. As this Committee's Members know well, before the 9/11 attacks, Hizballah was responsible for the loss of more American lives than any other violent non-state actor.

After Lebanon's civil war ended, its military largely disarmed, demobilized, and reintegrated many of the militias, although traces remained.<sup>2</sup> Hizballah was the only one that was not forced to turn in their weapons after Lebanon's long and bloody civil war. If you go to the Lebanese Ministry of Defense, you will see a memorial to this terrible conflict, which is composed of weapons collected from the various violent groups and

\_

<sup>&</sup>lt;sup>1</sup> Literature on the varied elements that enabled Hizballah's emergence includes Augustus Richard Norton, *Hezbollah: A Short History* (Princeton: Princeton University Press, 2007); Ahmad Nizar Hamzeh, *In the Path of Hizbullah* (Syracuse: Syracuse University Press, 2004); Fouad Ajami, *The Vanished Imam: Musa al Sadr and the Shia of Lebanon* (Ithaca: Cornell University Press, 1986); Ze'ev Schiff and Ehud Ya'ari, *Israel's Lebanon War* (New York: Simon & Schuster, 1985).

<sup>&</sup>lt;sup>2</sup> Elizabeth Picard, *The Demobilization of the Lebanese Militias* (London: Centre for Lebanese Studies, 1990).

melted together. You will not, however, find Hizballah's stockpile in that pile of rusting metal.

In recent decades, Hizballah has received increasingly sophisticated materiel and training, and financial assistance, from Iran and Syria. As former Secretary of Defense Robert Gates underscored, Hizballah possesses "far more rockets and missiles than most governments in the world." Over the years, it effectively redefined its justification for maintaining its armed capability, allowing it to develop into one of the most well-equipped and best-trained non-state forces in the Middle East.

Since early in its creation, Hizballah has been a complex entity, delivering social services, political support, and at least the perception of security to the Lebanese Shia amid an extremely divided Lebanese polity. Note there are few meaningful and viable alternatives for the community it serves in Lebanon. The substantial assistance Hizballah receives from nefarious actors like Iran and Syria enable it to play a singular role in Lebanon as a political, social, and extremely powerful military force. Without this support, it would simply be another militia or political actor among many in Lebanese society.

# Hizballah Today: A Diagnosis

To effectively examine Hizballah today, one must consider the impact and implications of the Syrian conflict, which is entering its seventh year. My diagnosis begins with the following argument: Hizballah has both benefited from and suffered because of its lengthy involvement in this imbroglio.

#### Hizballah's Losses

On the negative side of the ledger, Hizballah faces profound challenges as it loses domestic support, regional popularity, and likely thousands of fighters courtesy of its efforts to bolster the appalling Assad regime.

It's remarkable to compare Hizballah's popularity today to just over a decade ago, when it fought Israel in a 34-day summer war. Hizballah Secretary-General Hassan Nasrallah was one of the most popular leaders in the Middle East after that conflict. I was the Pentagon's Levant Director at the time, and as we organized the largest non-combatant evacuation of Americans in U.S. history, I couldn't help but be frustrated by Nasrallah's growing fame. Yet that luster has long since faded.

Today, support for Hizballah across the region is much shakier as Sunnis from around the Middle East watch Hizballah aid in the death and destruction of Syria and its people. The Gulf Cooperation Council and the Arab League have declared it a terrorist organization, and the Organization of Islamic Countries has condemned it. While they did so for a number of reasons, not least parochial sectarian ones, their actions demonstrate further isolation of Hizballah around the Middle East.

The Lebanese Shia now watch as body bags of its youth return from waging this ghastly war on behalf of Tehran and Damascus. With estimates of 5,000-10,000 Hezbollah members fighting in Syria in support of Bashar Assad's murderous regime, it is hemorrhaging members like never before; indeed, Hizballah has bled more in Syria

<sup>&</sup>lt;sup>3</sup> Dan De Luce, "Gates: Hezbollah Getting Improved Missiles," Defense News, 27 April 2010.

than in fighting Israel—over a much shorter period of time.<sup>4</sup> And the enormity of these casualties is magnified in such a small community.

Hizballah is waging a counterinsurgency to prop up Assad. The American military has learned over the last decade and a half that this type of conflict is extremely difficult and costly, in blood and in treasure. It has lost important commanders, like Mustafa Badreddine, among others. Moreover, this conflict has been going on for seven years and shows little potential for ending any time soon, increasing the opportunity cost Hizballah is paying.

And perhaps most worrisome for Hizballah, its mission is increasingly questionable. The conflict in Syria is being waged on behalf of Iran and Syria, and it promotes Hizballah's needs, not those of the Lebanese Shia. It is distant from Hizballah's historical emphasis on waging war against Israel, to which it can attribute much of its domestic and regional support historically. By enabling the death of half a million Syrians and the displacement of 11 million Syrian refugees, its rhetoric about defending the weak rings hollow.

Notable power shifts are at play because of the Syria conflict. The Syrian regime owes Hizballah its continued existence. Hizballah, meanwhile, has become more of a regional player—it has a substantial presence in at least four different countries around the Middle East—but it is increasingly exerting Iran's mandate to the detriment of its own community.

It's important to underscore that Hizballah's leadership did not really have a choice about whether to join the Syria conflict, even though many of these costs were likely clear to them. Hizballah initially took a number of steps to hide its malign activity in Syria; Hassan Nasrallah finally owned up to it after nearly a year. But without Tehran's support and Syria's geography, he knew Hizballah would no longer be the most capable force in Lebanon. And from Iran's point of view, the entity it has trained, equipped, and built for decades has enabled Tehran to project power around the region, particularly in places of paramount concern, like Iraq and Syria. If Hizballah wanted to continue playing the singular role it holds in Lebanon, it had to go all in on the Syria conflict.

Hizballah has effectively become part and parcel of the Iranian Revolutionary Guards Corps-Quds Force (IRGC-QF). Qassem Soleimani is the decider now of Hizballah's future—not Hassan Nasrallah. Years ago, I wondered how Hizballah would respond to a profoundly escalatory mission by Tehran. I no longer wonder that today. It is now clear that Soleimani says jump and Hizballah asks how high. The evidence of this shift has grown palpable in recent years—if Iran wants Hizballah to assassinate Lebanese politicians, prop up a murderous Syrian dictator, or kill Israelis, Nasrallah's willingness to debate these missions has become immaterial. The conflict in Syria has shifted the power dynamics between them such "that the relationship is now a boss-employee situation rather than a partnership." As one Lebanese political figure explained,

<sup>&</sup>lt;sup>4</sup> Bilal Y. Saab and Nicholas Blanford, "Will Syria be Hezbollah's Proving Ground, or Its Undoing?" *World Politics Review*, 26 July 2016.

<sup>&</sup>lt;sup>5</sup> Babak Dehghanpisheh "Hezbollah Becomes Wild Card in Syria," *The Washington Post*, 27 September 2012. Anne Barnard, "Hezbollah Commits to an All-Out Fight to Save Assad," *The New York Times*, 25 May 2013.

<sup>&</sup>lt;sup>6</sup> Hanin Ghaddar, "Hezbollah Losing Its Luster Under Soleimani," *Policywatch* 2766, 22 February 2017.

"Nasrallah is not going to say 'No' to someone who has given him \$30 billion over the past 30 years." Simply put, it now appears that Hizballah is willing to do whatever Iran wants, whenever it asks, and regardless of the cost.

Iran is willing to fight to the last Hizballah member in Syria and it appears Hizballah is, too. That is a problem for Hizballah in many ways, but particularly domestically. The Lebanese Shia are more isolated than they have been in a very long time. They are increasingly disillusioned by Hizballah—which raised their community's stature in Lebanon over the last 30 years—but today they are fearful and see few protectors. Their community is facing deep domestic discontent. Many of those now joining Hizballah are doing so more for monetary than ideological reasons, as Hizballah's shift in recruiting methods has illustrated (e.g., multi-year contracts for new fighters headed to Syria). This skews incentives and invariably influences the very nature of the organization, especially if its new recruits are less enamored with Iran's vision. But, one out of every four Lebanese Shia receives a salary from Hizballah and there is little evidence that other state actors can or would effectively fill this void, even as it grows while Hizballah's emphasis on social services thins out compared to military operations. In light of all of these dynamics, the Lebanese Shia desperately need alternative political representation and new opportunities—particularly in the economic sector.

Hizballah's support at home has grown more precarious and its popularity around the region has plummeted as it has bled on behalf of Damascus and Tehran. Hizballah is out on a limb, a particularly fragile place to be in today's Middle East.

#### Hizballah's Gains

All that said, Hizballah has also benefited from its involvement in the Syrian conflict. Ten years ago, I was most worried about Hizballah's weapons. We saw during the summer 2006 war with Israel how Hizballah's most destructive weapon in the conflict, Kornet anti-tank rockets, came from the Syrian Ministry of Defense, and other sophisticated materiel streamed from Iran, including the C-802 anti-ship cruise missile that damaged the *INS Hanit*. <sup>10</sup>

Now, I'm more concerned with the experience Hizballah has gained from the Syria conflict. To be sure, it has come at a price. Nevertheless, before the Syria conflict, Hizballah was a capable military force good at a limited number of things. Now, as its portfolio has expanded dramatically, it has become a hardened force adept at facilitating Iranian power projection around the Middle East. Over the last six years, it has become an effective expeditionary force. It has learned how to command and control a complicated conflict in collaboration with a number of other actors. It has acquired substantial real-world fighting experience in diverse environments using increasingly sophistical materiel. And as the operating space in Syria becomes crowded and the U.S.

\_

<sup>&</sup>lt;sup>7</sup> Samia Nakhoul, "Special Report: Hezbollah Gambles All in Syria," *Reuters*, 26 September 2013.

<sup>&</sup>lt;sup>8</sup> Hanin Ghaddar, "Economic Alternatives Could Help Split Shiites from Hezbollah," *Policywatch 2711*, 18 October 2016.

<sup>&</sup>lt;sup>9</sup> Ibid.

Adrian Blomfield, "Israel Humbled by Arms from Iran," The Daily Telegraph (London), 15 August 2006. Frank Gardner, "Hezbollah Missile Threat Assessed," British Broadcasting Service, 3 August 2006.

military deepens its direct involvement there, we could see inadvertent or deliberate interactions with Hizballah.

These losses and gains should be monitored throughout the Syrian conflict. How this war ends is a matter of paramount importance for Hizballah. Any outcome short of Assad's survival is problematic. Continued fighting, a hardline Sunni regime, a brokered negotiation courtesy of U.S.-Russian rapprochement—all pose different and serious challenges for Hizballah.

## Lebanon's Military and Hizballah

I'd now like to turn to Lebanon, Hezbollah's home base. While the situation in Lebanon appears surprisingly quiet, one should not be lured into thinking it is stable or that serious violence will not erupt. Now for a country of a few million—the exact figure hasn't been precise since the 1932 census—brimming with sizable populations of long-term Palestinian refugees and more recent Syrian ones, and 18 or so different confessional groups, it's a miracle Lebanon still exists in any form at all. And that's important to remember: while the Lebanese state has institutions like a military, a judiciary, and a bureaucracy; these entities are extremely fragile. They do little in the way of actual governing, as we have seen time and time again, and are often beholden to non-state forces or external actors.

Remedying the weakness of Lebanese government institutions has been a key focus area for the U.S. government, as this Committee's Members are well aware. After former Prime Minister Rafi Hariri was assassinated more than ten years ago, the U.S. government sought to strengthen Lebanese government institutions, particularly the military, as a foundation to support a sovereign government that fulfills its basic responsibilities to its citizens. This is a long-term endeavor—and an often-unsatisfying one.

### **Lebanon's Military**

Over the last decade, the Lebanese military has become one of the top recipients of U.S. security assistance. And as one of the architects of the U.S. effort to train and equip Lebanon's military, I am continually asked why the U.S. government is working so hard to build the forces. The answer is simple: it is in the U.S. interest for the Lebanese military to fight nefarious actors whenever it is willing, and without U.S. military assistance, its ability to do so is severely constrained.

When I first began visiting Lebanon nearly 15 years ago, there was little sign of the Lebanese military. This was during the Syrian occupation and it was Syrian forces that I often saw out and about, not Lebanese. When the United States began building the Lebanese military after the Lebanese people pushed out Syria's military, the force was large, unwieldy, had a top-heavy and bloated force structure, lacked the most basic equipment, and spent 90% of its resources on personnel.<sup>11</sup>

\_

<sup>&</sup>lt;sup>11</sup> International Institute for Strategic Studies, *The Military Balance 2004–2005* (London: International Institute for Strategic Studies, 2005), 129–30. Aram Nerguizian, *U.S. Military Assistance to Lebanon: A* 

Since then, it has deployed throughout much of Lebanese territory and begun taking important, albeit insufficient steps, to counter violent actors. It has deployed thousands of troops around the country, but especially to southern Lebanon since 2006. In 2007, we saw it successfully battle Fatah al-Islam (FAI) in a bloody urban war—despite Hizballah's Secretary-General arguing that any Lebanese military action would cross a red line. U.S. support made this first big conflict a success, as the U.S. military raced more than forty planeloads of assets to Beirut. It was in our interest then for the Lebanese military to counter FAI, just as it is in our interest today for it to counter radical Sunni groups in Lebanon like Nusra Front and ISIL.

But the 2007 fight is also indicative of the types of conflict the Lebanese military will engage in—those that involve largely consensus opponents. In 2007, a Sunni prime minister ordered a military led by a Maronite Christian to counter a Sunni Palestinian group. The Lebanese government and the Lebanese people supported these actions because they were fighting Palestinians. Today, there's a largely similar dynamic vis-àvis radical Sunni groups like ISIL. But to be clear, there is absolutely no way a similar level of support would be garnered if the Lebanese military had to take on a more domestic opponent.

Lebanon's military is flawed, but it is nationally supported and well respected—in a country with few institutions that can be described as such. A military force is only as capable as its political leadership permits it to be. While Lebanon's military has grown increasingly capable and taken some meaningful steps for internal security, its government does not hold a monopoly on violence. The military is beholden to a fragile government that is easily manipulated by external parties, their proxies, and other non-state actors; nevertheless, any meaningful attempts by the state's military to secure Lebanese territory and confront heinous actors are in U.S. national interest.

## **Hizballah and the Lebanese Military**

I'd like to address head on the dynamic between Hizballah and Lebanon's military. There is no evidence, to my knowledge, that the Lebanese military has given Hizballah any materiel; indeed, it has an impeccable record of maintaining control over its weapons. I did not fully appreciate how thoroughly the military kept track of its materiel until the 2006 Israel-Hizballah war. When the Israel Defense Forces attacked a Lebanese military base, the LAF leadership wasted no time in providing the Defense Department with a list of the serial numbers of every item at the base. It was clear that Lebanon's military did not want its reputation tarnished if nefarious groups captured any of those weapons.

Second, and let me be blunt here—Hizballah doesn't need the Lebanese military's assets. The weapons it receives from Iran via Syria are substantially more sophisticated than any materiel that the United States has given Lebanon's military to date. And as we

*Net Assessment and Implications for U.S. Policy* (Washington, DC: Center for Strategic and International Studies, 2010), 20; 23.

<sup>&</sup>lt;sup>12</sup> Nada Bakri and Hassan M. Fattah, "18 Dead in Lebanon as Army and Camp Militants Clash," *The New York Times*, 2 June 2007.

<sup>&</sup>lt;sup>13</sup> Eric Edelman and Mara Karlin, "Fool me Twice: How the United States Lost Lebanon—Again," World Affairs (May/June 2011).

have seen over the last few years—with spontaneous explosions erupting around Damascus, likely courtesy of Israel—Hizballah continues trying to improve its stockpiles. The return addresses are Tehran and Damascus— not the Lebanese Ministry of Defense. Hizballah poses the most potent threat to the Lebanese state's internal security. It turned its weapons on the Lebanese people in 2008 and will do so again if there are meaningful efforts to disarm it.

## Implications for U.S. Policy: Questions to Consider

Hizballah's future matters because it is inextricably linked to the future of Iran, Syria, Lebanon, and Israel, among others. As the Committee's Members seek to legislate further U.S. action against Hizballah, I would urge you to ask the following questions over the coming months:

- 1) What's the Administration's strategy for the Levant? Is it focused on ISIL or does it include the Assad regime's demise, also?
- 2) How are the regimes in Iran, Syria, and Russia adjusting their support for and/or collaboration with Hizballah in Syria?
- 3) What points of friction exist between these regimes and Hizballah? And can they be exploited? What about between the Lebanese Shia community and Hizballah?
- 4) Are any meaningful political or economic alternatives to Hizballah emerging among the Lebanese Shia community? If so, how are they displacing Hizballah's power?
- 5) In what ways is the new Administration regularly and rigorously assessing its program to strengthen the Lebanese military? Are current levels of security and foreign assistance sufficient and effective?
- 6) How is the U.S. military accounting for the increased potential of U.S.-Hizballah confrontation in and around Syria?
- 7) What are the indicators and warnings that Hizballah may seek to reignite conflict with Israel?

This Committee is rightly concerned about Hizballah and how to weaken it. As I have outlined today, there are no simple remedies to the problem Hizballah poses. Anything short of a transformation in Iranian regional behavior means it will remain a threat regionally—and beyond—for the future.