Congressional testimony J. Matthew McInnis Joint Subcommittee Hearing: Iran's Support for Terrorism Worldwide House Foreign Affairs Committee Subcommittee on Terrorism, Nonproliferation, and Trade Subcommittee on the Middle East and North Africa 2172 House Rayburn Office Building Washington, DC 20515 Mar 4, 2014 at 10:00am

## Why Iran supports terrorism

If the U.S. is to develop a more effective response to Iranian-sponsored terrorism, the most critical question that must first be asked is: why does Iran pursue these activities in the first place? Terrorism must be understood as an essential tool for Iran to both protect the regime and ensure the continuation of the 1979 Islamic Revolution.

Iran's global force projection network, which includes the Islamic Revolutionary Guards Corps (IRGC) and Quds Force, Lebanese Hezbollah, and Iran's proxies in Iraq, Syria and elsewhere in the Middle East, serves as both a deterrent and retaliatory weapon. By demonstrating a capability to strike U.S., Israeli or Saudi interests anywhere in the world, or at least creating a perception of this capability, Iran's leaders hope to stave off a military strike, or at least make it extremely costly for their foes. Tehran recognizes its conventional capabilities provide an inadequate deterrent for a global power such as the U.S. and as a consequence, pursues a security strategy to compensate for its relative weakness. Terrorism fits very well into this approach, allowing Iran to target their enemies at home and 'even' the battlefield, often with plausible deniability. This helps explain why high-risk schemes, such as the 2011 attempted bomb plot here in D.C. against the Saudi ambassador to the U.S., can make strategic sense for the Islamic Republic.

Iran is still a revolutionary state, built on the ideological premise of *velayat-a faqih*—guardianship or rule of the jurisprudent—which should be spread and adopted by other Muslim societies. Consequently, Tehran's foreign policy incorporates both hard and soft power strategies to sustain opposition to the United States, the West in general, Israel, and the rival Sunni Muslim powers, all of whom the Islamic Republic perceive as the primary political obstacles to their great national and international projects since 1979. From the early revolutionary period, the need to strike terror into the hearts of the new regime's opponents, both internal and external, was an explicit premise in the founding of the IRGC.

The IRGC also remains the principle executor of Iranian foreign policy on the most contested front lines of the regime's strategic interests, such as the Levant and Iraq. The IRGC leads efforts to build political and armed proxy groups, to expand Iran's reach and build a regional superstructure of "resistance" to the West, Israel and align Arab states, with global connections in Latin America, Southeast Asia, Africa and Europe.

These investments in hard power by the IRGC are not only aimed at preserving the regime, but also to enable the critical expansion of the Islamic Republic's ideas and influence, in other words, its soft power. Iran's conflict with the United States and the West is fundamentally a contest of ideas about how societies should be governed in the Muslim World as well as how global political, economic and security systems should be constructed. The Islamic Republic must successfully promulgate its ideology's core ideas and political goals; otherwise, the entire enterprise comes into question. Like the Soviet Union, the People's Republic of China (PRC), and others before it, if the central narrative, its *raison d'être*, is no longer seen as legitimate, the regime must redefine itself or eventually lose power.

US policymakers must bear in mind that Iran's soft-power "industrial complex," the interconnected external political, diplomatic, economic, religious, cultural, security, and proxy activity, is related to its revolutionary nature. These efforts are what the regime will pursue and defend incessantly, and almost all are inherently counter to US goals. Hard-power threats such as proxy warfare and terrorism as well as possible nuclear weapons and missiles, ultimately can be seen as tools or enablers of Tehran's more critical soft-power objectives and programs. As a consequence, even if the United States is able to somehow resolve concerns about Iran's nuclear program, the current Iranian regime's foreign policy will continue to obstruct American national interests.

This also points to key opportunities. Successfully checking or unraveling components of Iran's hard and soft power strategy will likely lead to the best chance of eventually pushing the regime to become a 'normal', rather than a revolutionary, power, i.e. a state that no longer seeks to undermine neighboring regimes, subvert the international system, and use terrorism and violence to achieve its foreign policy goals. Such a fundamental change in the nature of the state would be of far greater benefit to our interests than even checking Iran's nuclear program or expanding conventional military capabilities. Today, the United States lacks such a policy.

## The Evolving Threat

The escalation we have seen in activity by the IRGC and the Quds Force in the past three years is probably best understood as a response to the new opportunities and significant challenges triggered by the 2011 Arab Spring and, until recently, the growing confrontation with the West over Iran's nuclear program.

The fall of secular Arab regimes in North Africa, especially the loss of a key U.S. ally in Egypt's Hosni Mubarak encouraged Iran to expand both its hard and soft power activities in the region. However, its progress in these countries has been relatively limited and Tehran's focus was quickly overtaken by the eruption of the civil war in Syria.

Prior to 2011, Iran could use Syria as its primary forward operating base in the Middle East without paying substantial costs. However, Tehran can no longer maintain this on the cheap. In a sign of operational strength but strategic weakness, Iran has taken significant risks and even casualties to shore up President Bashir al-Assad, putting in some of its best people on the ground, particularly from the IRGC, to arm, train, and advise elements of Assad's security forces, as evidenced by the assassination of senior Quds Force commander Brigadier General Hassan Shateri in Syria last February. Lebanese Hezbollah fighters have also increased their direct combat role in Syria in 2013 and have been credited in turning the tide for the Assad regime over the past year. This 'expeditionary' effort on the part the IRGC and its allies and proxies is unprecedented and it attests to how essential maintaining the Axis of

Resistance - constituted by Iran, Syria, and Lebanese Hezbollah - is to all the aforementioned parties. Iran will have great difficulty in deterring Israel, projecting power in the Levant, maintaining its "Crown Jewel" of Lebanese Hezbollah, keeping its enemies occupied away from its border, and justifying the ideological tenets of the regime's foreign policy if Syria is lost.

As both the conflict and our policy debate proceed, the US should recognize if Assad survives, Iran and Lebanese Hezbollah will likely emerge with even stronger operational capability in the region, despite the loss of political and moral capital among the Arab states. In contrast, a more effective US strategy to help remove Assad and assist moderate forces could radically increase Western leverage to address the full spectrum of our concerns with the Iranian regime–proliferation, terrorism and human rights.

The IRGC and Quds Force are also likely girding themselves for an escalating sectarian conflict in Iraq, Lebanon and elsewhere in the region stemming from the proxy war in Syria, including a potential direct confrontation with the al-Qaeda network. Recent terrorist attacks claimed by Sunni extremists groups against Iranian and Hezbollah targets in Lebanon and Pakistan will only reinforce this perspective. Though Iran will always identify itself as the primary protector of Shi'a, a growing and costly sectarian contest would undermine their more important goals of leading the Muslim World and confronting Israel and the West.

Heightened fears over the past five years that Israel or even the U.S. may strike Iran's nuclear facilities have probably driven the Quds Force to expand its presence and capabilities. By demonstrating a capability to hit U.S. and Israeli interests anywhere in the world, or creating a perception of this capability, Iran's leaders likely hope to stave off a military strike, or at least make it extremely costly for their foes. With the advent of the Joint Plan of Action, agreed to by the Permanent Members of the United Nations Security Council plus Germany (P5+1) and signed in November 2013, it will be interesting to see if the Quds Force maintains a lower profile while negotiations are ongoing.

## **Policy Recommendations**

So what can be done? I believe the U.S. should develop a much more comprehensive policy employing both direct counter-terrorism and competitive strategies using soft and hard power to blunt the IRGC and Quds Force.

The direct approaches are fairly straight forward. The U.S. needs a more focused structure inside the government to better coordinate the activities of the State, Defense, and Justice Department with the Intelligence Community and also to target and undermine the network that facilitates and executes the Quds Force's and Lebanese Hezbollah's actions. In particular this means going after their financial networks, exposing operatives and illicit activities around the world, and challenging Lebanese Hezbollah and the IRGC more aggressively in Syria.

Given America's current fiscal constraints and geopolitical challenges, effective competitive strategies offer an opportunity to achieve objectives while more efficiently using resources and avoiding direct conflict. I have argued for this approach in AEI's recent <u>report</u> on the topic, *America vs. Iran: The Competition for the Future of the Middle East.* In this model, one tries to undermine a competitor's

confidence in his strategy, or in the tools of his strategy, to ultimately induce self-defeating behavior. The fundamental logic is that competitors always have blind spots or exaggerated threat perceptions that can be exploited. The key to success is identifying where the competitor's vulnerabilities intersect with one's relative strengths. It is extremely difficult to significantly change an adversary's typical strategic behavior. Therefore, it is better to attempt to exacerbate an existing asymmetry or imbalance.

This approach has key pitfalls. Attempting to manipulate a state's fears can risk unwanted escalation and unpredictable behavior. It requires a long-term commitment to the strategy, a difficult proposition given America's political system and often shortened attention span. Competitive strategies also require deep self-awareness and an ability to read the adversary. All of these areas have challenged U.S. policymakers.

The U.S. also needs to understand and defend against competitive-type strategies that Tehran may be pursuing. Sophisticated adversaries such as Iran are likely aware of and attempting to exploit American weaknesses as we engage in the Middle East diplomatically, economically, and culturally. Washington must consciously push back against Tehran's strategies and policies, not just mitigate their manifestations. In other words, the U.S. needs to fight strategy with strategy.

What does this mean for developing competitive strategies? As I previously noted, Iran is the only nation engaged in a true contest of ideas with the United States. If the Islamic Republic remains a revolutionary state, the U.S. should build strategic policies more akin to Cold War paradigms than what it attempts now with the PRC. This is not to say America needs to have another massive defense buildup, especially given that Iran does not have the resources to compete with the U.S. military on a global scale.

Rather, the U.S. should take a page from Paul Nitze in the National Security Council directive 68 (NSC-68) and prioritize the soft-power competition. America should shore up its political, economic, and cultural strength both domestically and abroad, while ensuring that its military is able to both deter aggression and project power when needed. The United States should focus its primary strategies on deflecting and unraveling Iranian policies, which expand their influence detrimentally to U.S. and allied interests. America should also look to frustrate the Iranian political system by highlighting the regime's internal contradictions and Tehran's inability to meet the population's civil and economic aspirations. This approach, unsurprisingly, bears some notable similarities to counterinsurgency doctrine, albeit at an international scale, which this study will explore further.

A successful soft-power, competitive strategy will hopefully push Iran from a state devoted to undermining the regional and global political-economic system to become a more "normal" actor. This would not mean the end of competition, but it would significantly diminish the Iranian threat and allow Washington much greater predictability in the region. A strategy that mitigates or even helps alter the regime's central narrative could transform the dynamics of the U.S.-Iranian relationship, not unlike what occurred with the USSR and the PRC in previous decades.

What would be the key prerequisites to building a tailored soft-power competitive strategy against Iran? First, the United States needs to recognize Iran's political, economic, diplomatic, and cultural objectives in the region. Iran perceives itself as the rightful predominant power in the region, demanding the removal or neutralization of American, Israeli, and Western presence and influence. Tehran wants to be the model for Islamic governance, the true leader of the Islamic world, and the protector of Shi'a Muslims. The regime seeks economic independence and to become the vanguard of the nonaligned movement, which challenges Western dominance of the global system. More practically, Iran wants to minimize its political isolation and increase its international support.

Second, U.S. policymakers need to understand the target. Effective competitive strategies usually require an imperfectly rational actor whose irrationalities, specifically those induced by threats to the regime, can be understood and eventually predicted. Fortunately, in the area of Iranian soft power, the United States has one such actor in the IRGC, an institution American intelligence and security analysts have been watching for decades. The U.S. needs to dissect further the IRGC's core leadership networks and to more fully understand Iranian decision making and threat perceptions. In U.S. strategic competitions with the Soviets and with the PRC, U.S. analysts had a relatively large community of experts in academia, think tanks, and government focused on those nations' strategic cultures. This type of knowledge community barely exists on Iran and needs to be expanded.

Better understanding the Iranian regime's decision making will be critical to identify strategic or organizational blind spots within the IRGC and the larger Iranian senior leadership. Which threat perceptions can be encouraged or exploited? Which typical or routine activities are often ineffective and therefore can be encouraged? Which political, economic, and cultural missteps does the IRGC frequently make with other countries that can be exacerbated and exposed? How could US policy induce self-defeating behavior?

Third, U.S. policymakers need to better understand themselves, U.S. strengths, and political and resource constraints. Iran can also perceive U.S. weaknesses and blind spots, especially in America's attempt to engage the Islamic world. U.S. policymakers must recognize better when Tehran is pursuing efforts that directly harm American interests or those of U.S. allies in the region.

The U.S. should also be conscious of the difficulty in sustaining complex strategies through multiple administrations and a large, diffused national security bureaucracy. It is a key temporal advantage for Iran, as it was for the Soviet Union and PRC, that its authoritarian system has the relative luxury of a long-term institutional focus on competing with the United States.

Fourth, U.S. policymakers need to define the arenas and parameters of the competition. Should the U.S. place more emphasis on challenging Iranian soft power in the Middle East or work to prevent growth globally? Should policymakers look to primarily defend areas where U.S. soft power is strong and Iranian power is relatively weak or instead attempt to roll back Iran in critical areas? Among the primary areas of soft-power competition—political, diplomatic, economic, infrastructure, energy, ideological, and cultural—where should the U.S. aim to undermine Iranian activities, and where should its focus be primarily defensive? For example, the growing U.S. advantage in the energy sector should be exploited, whereas investing in competition on the cultural and religious playing fields is unlikely to be as productive for U.S. policymakers.

Armed with these insights, the U.S. can begin building portfolios of soft-power competitive activities that will undermine Iran's confidence in both its strategies and the tools it employs to accomplish them. The most common are denial or containment strategies. How should the U.S. strengthen its allies to resist negative Iranian political, economic, and cultural influence? How can the U.S. expose and challenge the activities of the IRGC and prevent the movement of its resources and personnel? How can policymakers shape the economic sanctions regime to support U.S. soft-power goals in addition to pressuring Iran on the nuclear program?

Cost-imposing strategies provide another potentially fruitful approach. How would the U.S. be able to manipulate threat perceptions to induce Iran into overstretching its resources, overinvesting in activities that are not especially worrisome and underinvesting in areas of the most concern to the U.S.? Can the U.S. convince Iran that pursuing soft-power policies against U.S. interests will bear an ever-increasing cost in time and treasure?

Potentially the most powerful, difficult, and risky competitive efforts would directly subvert Iran's strategy and the regime's political system. If IRGC policies are perceived as a failure—through direct challenge, induced self-defeating behavior, deception, or some combination thereof—this could provoke a crisis in confidence in their own strategy. The perception that the Islamic Republic's fundamental objectives may not be achievable or that the system is unsustainable will undermine the regime's legitimacy and likely effect an eventual change in the nature of the state.

These are the questions U.S. policy toward Iran must address.

The U.S. should be placing soft power at the center of its strategy with Iran, given the political and ideological nature of the conflict as well as the relative decline of its hard-power presence because of fiscal constraints. As policymakers look for ways to better protect interests in the region, hopefully this report will shed light and spark debate on which arenas and approaches are ripest for U.S. engagement and strategy.