



IRAN'S RACE FOR REGIONAL SUPREMACY

STRATEGIC IMPLICATIONS FOR THE MIDDLE EAST



Jerusalem Center for Public Affairs



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FOREWORD

IRAN'S RACE FOR REGIONAL SUPREMACY

Lt.-Gen. (ret.) Moshe Yaalon

A gunman holds his AK-47 as he stands in a Sunni street in front of a big poster showing portraits of Shiite cleric Imam Moussa al-Sadr (top), leader of the Shiite Amal movement and Lebanese Parliament Speaker Nabi Beri (left), and Hizbullah leader Sheik Hassan Nasrallah (right), during the Hizbullah-led attack on Beirut that left scores dead and wounded, May 9, 2008.

The publication of this updated and newly titled edition of the Jerusalem Center for Public Affairs' 2007 policy monograph, *Iran, Hizbullah, Hamas and the Global Jihad: a New Conflict Paradigm for the West*, comes at a critical moment. Since the first edition was published in the aftermath of the 2006 Second Lebanon War, regional events have only vindicated the study's thesis: that Iran's use of terror proxies in its race for regional supremacy is the primary cause of instability in the Middle East, not the Israeli-Palestinian dispute.

Since the 2006 war with Hizbullah, Iran has sponsored terror operations in the Middle East states amenable to the West, including Lebanon, Iraq, Afghanistan, and the Gulf states, in the service of destabilizing the governments of those states. It has escalated its direct attacks through organizations it backs – with money, training and weaponry – like the Hamas military takeover of Gaza from the Palestinian Authority leader, Mahmoud Abbas, in June 2007 and Hizbullah's near coup d'état in Beirut in May 2008 against Prime Minister Fouad Seniora's government.

In this context, Tehran has also expanded its alliances with numerous Palestinian terror groups and employed them to step up attacks against Israel. Thus, Palestinian Gaza and parts of Judea and Samaria – the West Bank – that are controlled by the Palestinian Authority have become new "theaters" for the spread of Iranian influence and control. With its continuing drive for strategic weapons, Iran not only poses a regional threat, but even a global challenge affecting the security of the Western alliance as a whole.

- Collectively, the articles in this updated monograph, titled *Iran's Race for Regional Supremacy*, address an essential question:

Have the Western powers exaggerated the importance of the Israeli-Palestinian conflict while derogating the importance of the new Iranian role in the region?

This new edition provides the necessary context to consider this question wisely, especially in light of the dramatic developments throughout the region that have transpired since the publication of the first edition in January 2007.

Iran and Al-Qaeda: Regional Moves

Iran has accelerated its quest for regional supremacy via its mobilization of both Shiite and Sunni terror proxies, including Hizbullah in Lebanon, Shiite militias in Iraq and in the Gulf, the Taliban in Afghanistan, and Hamas, Islamic Jihad, and the Al Aksa Martyrs' Brigades in the Palestinian territories.

Since the Second Lebanon War, Iran has spent more than a billion dollars rebuilding Southern Lebanon and bolstering Hizbullah there.¹ Despite the serious blow the IDF inflicted on Hizbullah during the war, Iran and Syria have increased Hizbullah's pre-war rocket arsenals by almost a third, to at least 30,000 rockets. Defense Minister Ehud Barak told the Knesset Foreign Affairs and Defense Committee in February 2008 that Hizbullah "now possesses three times as many rockets as it did prior to the Second Lebanon War," suggesting that Hizbullah may have acquired as many as 60,000 rockets.²

Hizbullah's Iranian-supplied land-to-sea missile inventory has also likely tripled.³ The IDF believes that Iran is arming Hizbullah with long-range missiles capable of striking targets 300 km. away and other advanced weaponry. Some of this ordinance has been disguised as civilian cargo and smuggled overland across Turkey into Syria and then to Hizbullah in Lebanon. In May 2007, for example, Turkish authorities intercepted a train traveling from Iran to Syria carrying Hizbullah weaponry.⁴



امام خمینی و امام خمینی روحانتم امامان ما
امام خمینی روحانتم امامان ما

الله أكبر



Palestinians pass by the destroyed part of the Egyptian-Gaza border in Rafah, southern Gaza Strip, Jan. 31, 2008. Hundreds of thousands poured across the breached border.

Hizbullah has placed hundreds of rocket installations south of the Litani River, under heavy civilian cover in Shiite villages and rural areas.

Since the 2006 war, Hizbullah's freedom of movement in Southern Lebanon has been limited by the presence of nearly 14,000 UNIFIL troops and at least 10,000 Lebanese government forces. However, Hizbullah has still managed to place hundreds of rocket installations south of the Litani River, under heavy civilian cover in Shiite villages and rural areas. In a tacit agreement with Hizbullah, UNIFIL and Lebanese troops have avoided operating in many areas in Southern Lebanon. On occasion, the Lebanese army and UNIFIL have even coordinated their actions with Hizbullah.⁵ In short, the Lebanese army and UNIFIL have not enforced the security measures stipulated by UN Security Council Resolution 1701.⁶

Under Iran's auspices, it is little surprise that Hizbullah and Syria have continued their political subversion of Lebanon. Hizbullah boycotted the Lebanese parliament in 2007 in order to topple the pro-Western prime minister, Fouad Seniora. Hizbullah also works to facilitate Syria's hold over Lebanon, having prevented the election of a pro-Western president on 19 occasions before finally agreeing to the election of the compromise candidate Gen. Michel Suleiman on May 25, 2008.⁷ In short, Hizbullah has continued expending a great deal of energy to transform Lebanon into a tightly woven piece of Iran's regional revolutionary fabric.

Lebanon was also the battleground for the activities of the radical Sunni Islamic group Fatah al-Islam, which is an al-Qaeda affiliate backed by Syria and Iran. Fatah al-Islam's bloody battles in 2007 against

Lebanese security forces in and around Palestinian refugee camps illustrate the growing complicity of Sunni and Shiite groups in destabilizing pro-Western governments, whether in Lebanon, Jordan, Egypt, or against Western-oriented leaders of the Palestinian Authority.

In June 2007, Hamas' violent takeover of Gaza transformed the Strip into the region's first "Islamic Arab Emirate." This was an important achievement for Iran. It is also the region's first example of the Muslim Brotherhood's governmental control of a contiguous territory and its population. Iran's direct backing of Hamas via Khaled Mashaal and the Damascus-based Hamas leadership has essentially transformed Gaza into a base from which to export Iranian terror against Israel and expand Tehran's political control in the region. Iran now has an additional gateway, aside from Syria and Lebanon, to the Arab world – and one that poses a threat to Israel's Arab neighbors, Egypt and Jordan.

The establishment of "Hamastan" in Gaza also radiates victory to the *jihadists* of many stripes, including those fighting the U.S.-led coalitions in Afghanistan and Iraq. More importantly, Hamastan has also signaled the weakness of the West's political will in confronting and defeating Iran and its proxies militarily.

Iran remains one of the major destabilizing influences in Iraq and has continued, through its Qods Force operatives, to train, arm, and fund Iraqi Shiite militias,⁸ despite the U.S. capture of several senior members of the Qods Force in early 2007. The U.S. Coalition Forces Commander in Iraq, General David Petraeus, has noted in subsequent congressional testimony that, "it is increasingly apparent to both coalition and Iraqi leaders that Iran, through the use of the Qods Force, seeks to turn the Iraqi Special Groups into a Hizbullah-like force to serve its interests and fight a proxy war against the Iraqi state and coalition forces in Iraq."⁹

Iran's Nuclear Program

Perhaps the most vital component of Iran's race for regional supremacy is the regime's fast-developing nuclear weapons program, which has continued despite international diplomatic and economic antagonism. Unfortunately, the publication in November 2007 of the U.S. National Intelligence Estimate sent a misleading and even contradictory message on the state of Iran's nuclear weapons program. The report's opening sentence – "We judge with high confidence that in fall 2003, Tehran halted its nuclear weapons program" – appeared to vindicate Iranian denials.¹⁰



However, one of the report's primary conclusions is that Iran has continued to enrich uranium at an accelerated pace. And there is no debate in U.S. or Western circles over the fact that enriched uranium is equally necessary for both civilian and military nuclear programs. As former UN Ambassador John Bolton has suggested, the distinction between Iran's "military" and "civilian" programs is highly artificial.¹¹

Therefore, the NIE does not attest to a cessation of Tehran's military nuclear program; rather, the report provided Iran immediate relief from international pressure while helping Ahmadinejad calm dissent within the regime, if only temporarily. The NIE has also lowered the prospect of U.S.-led military action against Iranian nuclear facilities.

As a result of the Arab establishment's concern that the NIE represented a clear example of U.S. hesitation to confront the Iranian regime, the Gulf Cooperation Council, an alliance of Gulf states established 27 years ago to counter Iran, seems to have collapsed.¹² This was illustrated sharply when Qatar, shortly after the NIE's release and without consulting its fellow Gulf members, invited Mahmoud Ahmadinejad to deliver the keynote address at the 2008 GCC summit in Doha.

It was no coincidence that Ahmadinejad was invited to address the GCC on the eve of President George W. Bush's January 2008 Middle East visit. This was an example of the Sunni establishment signaling the U.S. that it was keeping its options open – that it was beginning to view Iran as the winning horse.

Al-Qaeda and its Affiliates

Sunni *jihadi* organizations linked to al-Qaeda refocused some of their activity during 2007 closer to Israel's borders with Syria, Lebanon, and Gaza.¹³ During President Bush's January 2008 visit to Israel, al-Qaeda affiliates launched a 107mm rocket from Southern Lebanon at the northern Israeli town of Shlomi.¹⁴ In June 2007, Fatah al-Islam, an al-Qaeda offshoot based in Lebanon, fired rockets at the northern Israeli town of Kiryat Shmona, hitting the city's industrial zone.¹⁵

The establishment of "Hamastan" in Gaza also radiates victory to the jihadists of many stripes, including those fighting the U.S.-led coalitions in Afghanistan and Iraq.

To Israel's south, Hamas' strategically planned destruction of the Gaza-Egypt border fence in January 2008 enabled *jihadi* groups such as al-Qaeda, which have already used Egyptian Sinai as a rear base, to reach Gaza more easily. Al-Qaeda-affiliated operatives, some of whom infiltrated from Egypt, Sudan, and Yemen, have been active in Gaza since 2006.

Over the past several years, al-Qaeda-affiliated organizations have also emerged in Gaza, including *Jaish al-Islam* (Army of Islam), which was responsible for the kidnapping of BBC journalist Alan Johnston. Other *jihadi* groups were also formed, such as *Jaish al-Umma* (Army of the Nation), Al-Qaeda in Palestine, and *Mujahidin Beit al-Makdes* (Holy Warriors of Jerusalem), which attacked the American International School in Gaza in January 2008.¹⁶

Iran and the Palestinian Authority

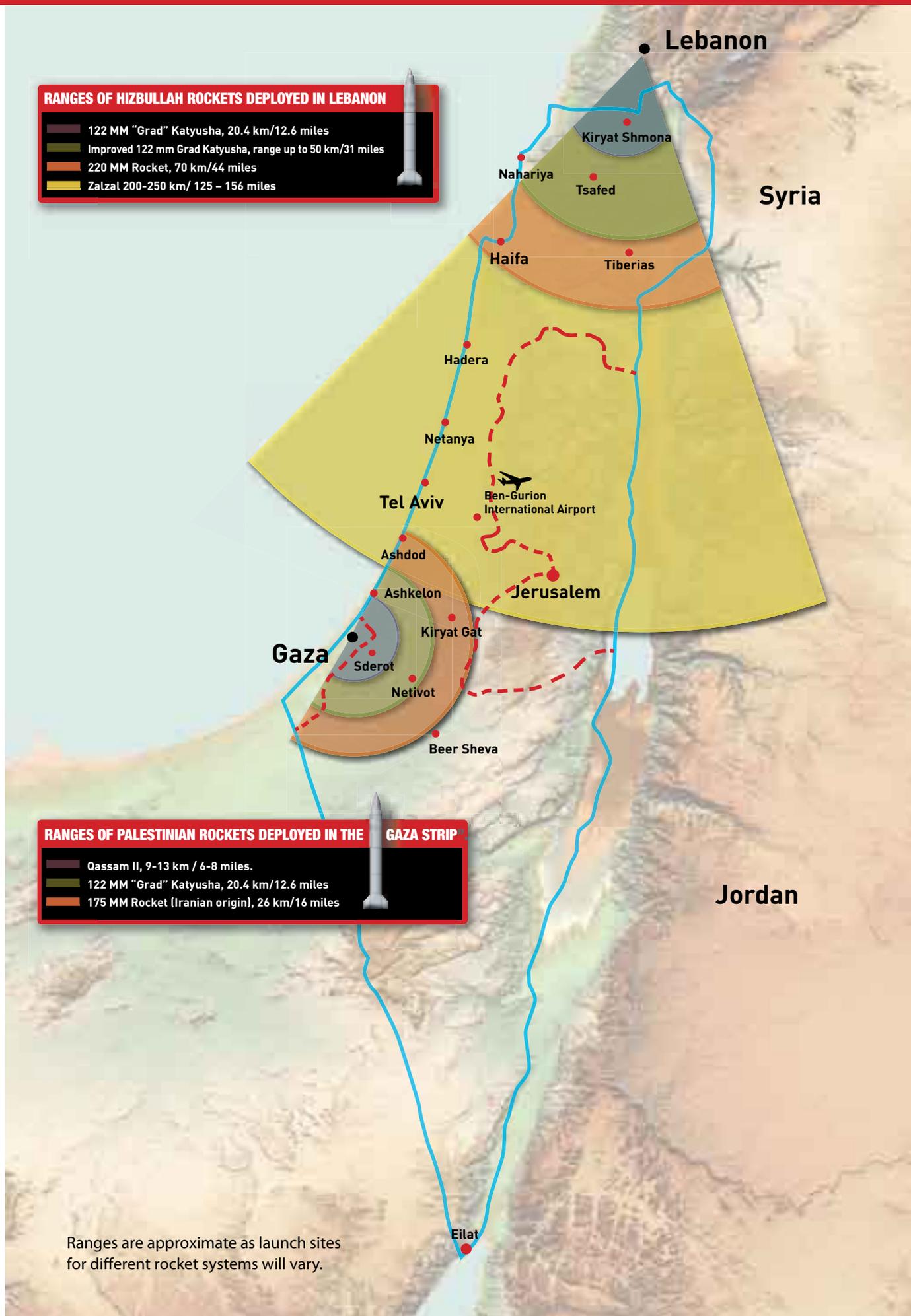
Hamas' takeover of the Gaza Strip was one of the most significant regional developments of 2007. Gaza is now the first Islamic Arab emirate in the Middle East, and represents a likely irrevocable victory of Islamists over the Palestinian and Arab nationalists.

Both Egypt and the Palestinian Authority reportedly pointed to Iran's major role in the Hamas takeover of Gaza. According to Tawfik Tirawi, head of PA intelligence, the Hamas takeover in Gaza "was coordinated with Iran which provided training and weapons and was informed of every step."¹⁷ Egyptian Foreign Minister Ahmed Abu Gheit charged that Iran's intervention in Gaza and Iraq threatened Egypt's national security.¹⁸

Notwithstanding Gaza's transformation into a *de facto* sovereign Hamas state, Gaza's status as an Islamist platform began after Israel's 2005 disengagement from Gaza. Between 2005 and late 2007, some 230 tons of explosives, including scores of anti-tank and anti-aircraft missiles, were smuggled into Gaza via underground tunnels from Egyptian Sinai into Gaza.¹⁹ Since January 2007 alone, more than 3,000 Palestinian rockets and mortars have been fired at Israel by Iranian-sponsored groups.²⁰

Since Hamas' breach of the Gaza-Egypt border in January 2008, tons of additional explosives have been transferred overland from Egypt to Gaza.²¹ The breach also enabled Hamas to bring back operatives who had left Gaza for training in Syria and Iran, including snipers, explosives experts, rocket experts, and engineers.²² In March 2008, Hamas officials admitted for the first time that hundreds of their top operatives have trained in

ROCKET THREATS TO ISRAEL EMANATING FROM LEBANON AND THE GAZA STRIP



Ranges are approximate as launch sites for different rocket systems will vary.



Syria and Iran under the aegis of Iran's Revolutionary Guards Corps (IRGC). Hamas officials noted that Iran's training of Hamas is similar to Iran's training of Hizbullah.²³

Massive Iranian financial support continued to flow into Hamas coffers in 2007, reaching between \$120 and \$200 million.²⁴ In December 2007 alone, some \$100 million was smuggled into Gaza by senior Hamas members returning from the annual *haj* pilgrimage to Saudi Arabia. Hundreds of millions of dollars have since likely crossed Gaza's broken border.²⁵

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For its part, Hamas could likely take control of the West Bank, or at least create major disturbances, if the IDF security presence there was significantly relaxed or removed. One important conclusion is that the Palestinian Authority under the leadership of Mahmoud Abbas lacks the ability, political will, or both to create a secure, accountable entity in Gaza and the West Bank governed by the rule of law.

While Hamas influence in the West Bank is widespread and growing, Iran has used money, ideology, and training to help influence other Palestinian terror groups in the West Bank, such as the Al Aksa Martyrs' Brigades and Palestinian Islamic Jihad, despite the fact that they too are Sunni and not Shiite groups.

Syria

Syria has continued to call for peace negotiations with Israel as a tactic ostensibly aimed at regaining the Golan Heights. However, Damascus' real agenda is to ease international pressure on the regime. At the same time, Syria and Iran have deepened their strategic cooperation,²⁶ while Syria has continued its policy of destabilizing the region via:

- Dispatching thousands of *mujahadin* from Syria to Iraq.²⁷
- Arming Hizbullah in Lebanon in violation of UN Security Council Resolutions 1559 and 1701.
- Training and hosting Palestinian terror groups and Iranian Qods Force operatives in Damascus.
- Assassinating Lebanese political leaders, journalists, and opponents and directly interfering in Lebanon's political process in an effort to restore Syrian control.
- In an egregious violation of the Nuclear Non-Proliferation Treaty, building a nuclear reactor with North Korean help.
- Strengthening its political, security, and economic alliance with Iran.
- Upgrading its arsenal of surface-to-surface missiles, chemical weapons, and the doubling of its rocket inventory compared to 2006.²⁸

In view of these developments in Syria, the policies of United States, the Western alliance, and Israel are problematic and require urgent review.

Iran and the Western Alliance

The failure of the U.S.-led Western alliance to isolate Iran diplomatically and economically and the failure to make Iran pay a price for specific acts of aggression have emboldened the regime throughout the Middle East.

For example, Iran's successful "probes" of both Britain and the United States in separate confrontations in the Persian Gulf sent a clear message about the West's continued reluctance to confront the Iranian regime. In March 2007, Qods Force naval operatives kidnapped 15 British naval personnel and held them for nearly two weeks before releasing them "as a gift of the Iranians." In January and April 2008, IRGC speedboats charged U.S. naval warships in the Strait of Hormuz, nearly triggering armed confrontations. In these instances, neither British nor U.S. forces responded militarily to the direct provocations by the Iranians.

The Palestinian Authority, Israel, and the Western Alliance

The November 2007 Annapolis peace "meeting," the subsequent Paris Donor Conference, and President George W. Bush's follow-up visit to Jerusalem and Ramallah all reflect the strategic inertia of U.S., European, and some Israeli policymakers when it comes to the essence of the Israeli-Palestinian conflict and the inability to create better strategies to address the deep-rooted crisis – and to address the ways it has changed in recent years.

The U.S.-led effort insists on first solving the Israeli-Palestinian territorial dispute, which is still seen as a primary cause of the region's problems, rather than as a symptom of the actual cause – Islamic rejection of Israel. The takeover of Gaza by Iran's Hamas proxy and the manner in which Hamas set about attacking Israel should be all the evidence anyone needs that the conflict is "not over the size of the state of Israel, but rather its actual existence," as Bernard Lewis noted in a *Wall Street Journal* op-ed the day before the Annapolis conference.²⁹

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A senior PA negotiator further clarified the existential nature of the conflict in the days leading up to Annapolis when he publicly refused to affirm that the State of Israel had the right to exist as a Jewish state.³⁰ However, international expectations of a Palestinian state in Gaza and the West Bank have continued unabated; for example, Israel has not been able to disconnect itself from Gaza due in large part to international expectations and pressure on Israel to continue to supply the territory with electricity, water, and commercial goods.

But Hamas' breach of the Gaza-Egypt border on January 23, 2008, created a new possibility.³¹ Egypt has demonstrated its ability to play a direct role in supplying materials, goods, and services to Gaza, thereby enabling Israel to complete its disengagement. However, unceasing efforts by both Western and Arab governments to break the international boycott on Gaza either by supporting a Fatah-Hamas unity government or by calling for cease-fire talks has placed Israel in a political and diplomatic bind – forcing it to remain committed to the diplomatic framework of a single Palestinian state in Gaza and the West Bank.

In order to avoid the same mistakes in the future, it is crucial that the Western alliance fully assimilate the dramatic lessons of Israel's 2005 disengagement from Gaza.

The failed experiment of the Gaza disengagement has tremendous implications for the future of the West Bank, particularly the Jordan Rift Valley and the

hills overlooking the greater Tel Aviv area and Ben-Gurion Airport. These areas are essential to Israel's security, yet Israel will be expected to withdraw from them completely in the context of a bilateral agreement with the Palestinians. The West Bank hills overlooking the coastal plain provide an ideal launching area for Palestinian rocket and mortar attacks against Israel's main population centers, roads, and national infrastructure, including Ben-Gurion Airport.

Aside from the current prohibitive strategic environment for a bilateral peace process, the Annapolis and Paris conferences have continued to emphasize the tactic of injecting billions of dollars in economic aid into Palestinian Authority coffers as a central tool for conflict resolution. For their part, Mahmoud Abbas and PA Prime Minister Salam Fayad reportedly intend to assign close to half of the \$8 billion pledged at the Paris donors conference as direct economic assistance to Gaza.³²

In effect, more than \$3 billion in Western financial support for the Palestinians will end up in Hamas hands, strengthening their control of Gaza instead of weakening them and forcing them to pay a price for their 2007 coup and the ongoing violence that Hamas provokes. The Annapolis and Paris conferences' approach to peacemaking also seems to overlook the fact that more than \$7 billion was lavished on the PA during the Oslo years from 1993 to 2006. That money was largely wasted or used for terrorism, while up to \$2 billion is suspected of having been pilfered by Yasser Arafat.

Despite these past failures and the current absence of Palestinian security, economic, and political reforms, not to mention the continued presence of incessant Islamic incitement against Israel's existence in Palestinian media, school books, and universities, and in PA-sponsored mosque sermons, the West has continued to provide the Palestinian Authority with massive economic, security, and political support.

President Bush seems to understand the stakes in the new Middle East, especially the manner in which so many sources of destabilization and violence today have a return address in Tehran. During his January 2008 visit to the UAE and Saudi Arabia, Bush said that Iran "undermines Lebanese hopes for peace by arming and aiding the terrorist group Hizbullah. It subverts the hopes for peace in other parts of the region by funding terrorist groups like Hamas and Palestine Islamic Jihad. It sends arms to the Taliban in Afghanistan and Shiite militias in Iraq. It intimidates its neighbors with ballistic missiles...and it defies the United Nations and destabilizes the region by refusing to be open and transparent about its nuclear programs and



ambitions. Iran's actions threaten the security of nations everywhere."

Clearly, Bush's security commitment to Saudi Arabia and the Gulf emirates is equally relevant to the State of Israel. A deep Israeli territorial withdrawal today or in the foreseeable future would only intensify Israel's strategic vulnerabilities to Iranian-sponsored terror groups and al-Qaeda. Thus, the current conceptual approach to peacemaking, that began at Oslo in 1993, was "reframed" in the 2002 Road Map, and then "crowned" at the Annapolis and Paris conferences in 2007, should now be tabled. Instead, a regional approach to Middle East security, diplomacy, and peacemaking should be pursued, based on the economic and diplomatic isolation of Iran and, if necessary, military action.

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Hamas control of Gaza has moved Egypt to consider playing a much larger role in helping to influence Gaza's future, while the Hashemite Kingdom of Jordan may, under certain conditions, increase its assistance to Abbas and other "moderate" leaders in order to secure the West Bank from being overtaken by *jihadi* groups, local warlords, and armed militias. Only then, with the Iranian regime neutralized and the Palestinian areas stabilized with the help of its neighbors, can Palestinian institution-building be advanced via verifiable Palestinian reforms in the security, economic, educational, and political realms.

This two-stage approach will enable the Palestinians to build a secure, free, democratic society from the ground up, instead of the current inverted "top down" approach. Just as important, a new regional approach to Israeli-Palestinian peacemaking must also include the direct and open participation of the Palestinians' and Israel's Egyptian and Jordanian neighbors.



Notes

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