

*“You can’t come to a hockey game and expect to play by the rules of touch football; Middle East diplomacy is a contact sport.”<sup>1</sup>*

Thomas Friedman

## **1 Setting the Stage: Iran, Syria and Political Violence Movements in the Middle East**

This study centers on the interaction between secular and religious political violence movements (PVM) and states that support them in the Middle East. It seeks to investigate one of the major driving forces behind the current political and military strife in the greater Middle East: The systematic and calibrated deployment of political violence movements and, by extension, terrorism by states that use them as proxies in their conflicts with other sub-state, or state actors in the Middle East region.

Attention is directed to the related questions of how and why regional state actors collude with a number of PVMs in their respective power orbits; finance and help planning terrorist attacks and support recruiting, as well as arming their operatives; and what long-term objectives of the two states – Iran and Syria – are served by their involvement in a mode of surrogate warfare that has been repeatedly stigmatized and branded as terrorist.

According to the U.S. State Department’s *Patterns of Global Terrorism* report of 2002, the principal state supporters of terrorist groups in the Middle East are, on the one hand, the Islamic Republic of Iran and, on the other, the secular Ba’athist regime in Damascus,

1 Thomas Friedman, *From Beirut to Jerusalem* (London: Harper Collins, 1995), p. 510.

Syria.<sup>2</sup> In the last two decades, both states have pursued a foreign and security policy geared towards regional hegemony, albeit from different positions within the strategic pecking order. Moreover, Iran and Syria have at least one other commonality in that they both support PVMs in Lebanon and the Palestinian Territories, i.e. the West Bank and the Gaza Strip.

There is a compelling rationale for Iran and Syria to conduct a policy of carefully covert, vicarious violence against their adversaries. Its principal benefit rests in the state supporter's ability to press an adversary without having to take the risk of an open confrontation; the harnessing of political violence movements by Middle Eastern states in pursuit of their foreign policy objectives tends to be more cost-effective than engaging in prohibitively expensive conventional warfare, both financially and politically. This remains a truism in spite of the fact that the U.S. as a strategic stakeholder in the region has traditionally taken a narrow view of state support for terrorist organizations. After the attacks on New York and Washington on 11 September 2001, the U.S. government has declared a war on terrorism

- 2 US Department of State and the Coordinator for Counterterrorism, Washington D.C., *Patterns of Global Terrorism 2002*, available at <http://www.state.gov/s/ct/rls/pgrtpt/2002/> released April 2003, accessed on 2 October 2003, pp. 52–53, 76–77, 81. The kingdom of Saudi Arabia is also not beyond reproach and, while no conclusive evidence as yet points to official sources as purveyors of petrodollars, elements of its royal family appear to be involved in the financing of Salafist groups and other Sunni PVMs in the Middle East. This is effected through intermediary organizations, such as the Muslim World League (MWL), the International Islamic Relief Organization (IIRO) and the al Haramain Islamic Foundation. Cf. Pamela Hess, "Saudi Arabia sets aside \$50M for 'Martyrs,'" *United Press International*, 4 September 2002 at [www.upi.com/print.cfm?StoryID=09042002-050314-4015r](http://www.upi.com/print.cfm?StoryID=09042002-050314-4015r) accessed on 31 July 2003; Rolf Tophoven, "Geld für Waffenschiff der Palästinenser kommt vermutlich aus Saudi Arabien," *Die Welt*, 29 January 2002 at [www.welt.de/daten/2002/01/29/0129au310883.htm?print=1](http://www.welt.de/daten/2002/01/29/0129au310883.htm?print=1) accessed on 11 August 2002; "Saudi Donations Make Up Half of Hamas's Budget," *Ha'aretz*, 17 September 2003 at [www.haaretzdaily.com/hasen/objects/pages/PrintArticleEn.jhtml?itemNo=341244](http://www.haaretzdaily.com/hasen/objects/pages/PrintArticleEn.jhtml?itemNo=341244) accessed on 17 September 2003; Washington Institute for Near East Policy, "Testimony of Matthew Levitt Senior Fellow in Terrorism Studies, The Washington Institute for Near East Policy Before the Senate Judiciary Committee Subcommittee on Terrorism United States Senate. Subversion From Within: Saudi Funding of Islamic Extremist Groups Undermining US Interests and the War on Terrorism From Within the United States," 10 September 2003, [www.washingtoninstitute.org/media/levitt/levitt091003.htm](http://www.washingtoninstitute.org/media/levitt/levitt091003.htm) accessed on 17 September 2003.

in general and, aside from its principal perpetrators, its backers in particular.

Despite the fact that the differences of the two countries in geo-strategic terms are pronounced – Iran’s pretensions are more variegated than Syria’s and its potential for power-projection in the region is significantly higher both diplomatically and militarily –, their use of proxy warriors is a key component in furthering their influence in the Middle East that has also led to a convergence of interests in the past two decades. Conversely, this practice has also caused increasing isolation for its patrons through other, adversarial regional actors, who, in turn, have also converged as a result of the threat posed to their security by state supporters of terrorism. On the regional level, Iran and Syria and their proxies therefore find themselves confronted by powerful enemies.

Because Syria is hemmed in by two militarily potent, allied countries with close ties to the West – Turkey and Israel – and is therefore not in a position to pursue its regional aspirations in an unfettered or overt manner, its influence outside its own borders is restricted locally to Lebanon. Though nominally governed by President Emil Lahoud, Lebanon remains in the vise-like grip of the Syrian intelligence agencies, the *Mukhabarat*. This is even truer since the conclusion of the recent war in Iraq. Although Syrian armed forces numbering approximately 25,000 maintain a military presence in the Beqaa and Beirut areas since the later 1970s, Syrian influence outside Beirut and especially in South Lebanon is also felt through the Shi’ite Hezbollah militia.

In many ways, Iran currently faces a condition of encirclement by states that are at least nominally closer to the U.S. and its allies than to the Islamic republic. Iran’s post-revolutionary regional isolation, which has been reinforced by an even stronger U.S. military presence in the Gulf region after the conclusion of the war against Iraq earlier this year, has acted as a deterrent against a forceful bid to expand its influence locally and regionally.<sup>3</sup> Even before the late war in Iraq,

3 Anthony Lake, “Confronting Backlash States,” *Foreign Affairs*, Vol. 73, No. 2, pp. 45–55. Lake succinctly described the US policy toward Iran under Clinton in the following words: “As the sole superpower, the United States has a special responsibility for developing a strategy to neutralize, contain an, through selective pressure, perhaps eventually transform these backlash states into constructive members of the international community.” Ibid., p. 46.

Iran's Sunni contender, the Taliban regime, was toppled by Coalition forces in Afghanistan in 2001/2002 and replaced by a government firmly in the U.S. orbit. Iran, too, maintains an underhand presence in various countries of the region, not the least of which is Lebanon, where the Islamic republic vies with its ally of convenience, Syria, over control of Hezbollah and other PVMs.

Beyond their longstanding interference in Lebanon, Iran and Syria are responsible for funding and training a variety of secular, Islamist and preponderantly Palestinian PVMs in Lebanon, the West Bank and the Gaza Strip.<sup>4</sup> Hezbollah is not the only PVM to receive support through Syrian and Iranian state institutions. The tangled interrelationship between the two states and the Sunni, Shi'ite and the more secular, nationalist Palestinian groups (Hezbollah, Hamas/Izzeldin Al-Kassam Brigades, Palestinian Islamic Jihad, Fatah, Tanzim, Force 17, Al-Aqsa Martyrs' Brigades, PFLP, PFLP-GC, DFLP, Usbat al-Ansar, Al-Qaida) in Lebanon and the Palestinian Territories (i.e. Gaza and the West Bank), constitute the principal focus of this study. Specifically, this study will review the PVMs and investigate their relationships among themselves and the ties they maintain with their state supporters and their respective state institutions tasked with implementing Iranian and Syrian interests in Lebanon and the Palestinian Territories.

An analysis of the long-term strategic objectives of Iran and Syria and the pivotal role played by PVMs in the context of their underhand pursuit of regional hegemony is embedded in each case, and will try to explain the reasons why Iran and Syria will persist in their policy of employing proxy warriors conducting terrorist operations in the present and prospectively. An investigation on how the U.S. and Israel tackle the problem of combating state supported PVMs in the

- 4 Robert G. Rabil, *Embattled Neighbours. Syria, Israel & Lebanon* (Boulder, CO: Lynne Rienner Publishers, 2003), pp. 100–103, 127–132; Gary C. Gambill, "Sponsoring Terrorism: Syria and Hamas," *Middle East Intelligence Bulletin*, Vol. 4, No. 10 (October 2002) at [www.meib.org/articles/0210\\_s1.htm](http://www.meib.org/articles/0210_s1.htm) accessed on 6 December 2003; Reuven Erlich, "State Sponsored Terrorism: Terrorism as a Preferred Instrument of Syrian Policy," International Policy Institute for Counter-Terrorism, 10 October 2001 at [www.ict.org.il/articles/articledet.cfm?articleid=400](http://www.ict.org.il/articles/articledet.cfm?articleid=400) accessed on 17 June 2003; Matthew Levitt, *Targeting Terror. U.S. Policy Toward Middle Eastern State Sponsors and Terrorist Organizations, Post-September 11* (Washington, D.C.: Washington Institute for Near East Policy, 2002), pp. 48–68; Daniel Byman, Shahram Chubin, Anoushiravan Ehteshami, Jerrold Green, *Iran's Security in the Post-Revolutionary Era* (Santa Monica, CA: RAND Corporation, 2001), pp. 81–86.

region follows. This study will conclude with a few observations on the long-term objectives of Iranian and Syrian support of PVMs; and on international (U.S.) and regional (Israeli) opposition to state support for PVMs in the Middle East.

## **1.1 General Background on Support for PVMs by Iran and Syria**

The authors of a recent study conducted by the RAND Corporation on outside support for insurgencies concluded that state supporters “are primarily motivated by geopolitics.”<sup>5</sup> They continue to point out that other considerations, be they ideological, ethnic or religious, may well play a role in the decision of states to support political violence movements, but that this occurs less frequently. This perspective certainly applies to the historical development of support for political violence movements by Iran and Syria. The last three decades have revealed to what extent Iranian and Syrian interactions with organizations engaged in terrorist activity have been based on a motley assembly of rationales, some of an ideological cast, others dictated by the strategic reality of the Middle East.

## **1.2 Background on Iranian support for PVMs Since the Revolution of 1979**

The starting point of Iran’s track record as state supporter for Islamist extremist groups lies in the heady days of Revolution of 1979, in the course of which the strategic balance of the Middle East underwent a profound change. One of the few non-Arab states of the Middle East, Iran’s foreign policy under Shah Reza Pahlavi was also shaped by its quest for natural allies. During the later stages of the Cold War, Iran cultivated its ties with the West. In a regional context, Iran conducted a quiet cooperation with Israel in the face of an adversarial array of Arab states. From the mid 1970s to the eve of the Iranian revolution, a close collaboration between Israeli intelligence and its Iranian counterpart, the notorious SAVAK, was directed against mutual enemies, especially the Mujahedeen-e-Khalq (MEK) and the Palestinian Lib-

5 Daniel Byman, Peter Chalk, Bruce Hoffman, William Rosenau, David Brannan, *Trends in Outside Support for Insurgent Movements* (Santa Monica, CA: RAND Corporation, 2001), p. 23.

eration Organization (PLO).<sup>6</sup> Formerly a mainstay of U.S. interests in the region, revolutionary Iran's national interest after the Revolution turned inimical to the Western position and all those associated with it. The theocratic cast of the new regime therefore infused Iranian relations with the West and its allies in the Middle East with a particular virulence after 1979.

But Iran's ability to project its power and influence in the region was largely checked by its principal Arab rival, U.S.-backed Iraq, with whom it fought a long and bloody war from 1980–1988. Traditionally, the Gulf States feared their powerful Persian neighbour; and not only were they Arab, but their populations were largely Sunni and thus on the other side of the denominational divide of Islam. For the duration of the Cold War, Iran also feared the threat represented by the Soviet Union, with which it shared a border and which had turned suspicious of the Islamic revival due to unfolding events in Afghanistan. Therefore, Iran had to bypass a hostile Arab cordon. Where an expedient alliance based on a strategic convergence of interests with any of its regional neighbours eluded revolutionary Iran (a development which later occurred in the case of Syria), power projection into the Middle East on the basis of shared religion opened up a new avenue.

Iranian clerical rhetoric directed against the West first became palpable when in 1982–1983 a militant movement born of Lebanon's Shi'ite minority – a largely underprivileged group in Lebanon's multi-confessional state system – made its bloody debut.<sup>7</sup> Considerable Iranian support went hand in hand with the rise of the Islamic Lebanese resistance against Israel. It was masterminded by Ali Akbar Mohtashemi, the Iranian ambassador to Syria, and given further credence by the influx of 2,000 members of the Pasdaran – the Iranian Revolutionary Guards Corps (IRGC) – into the Beqaa with the connivance of the Syrians.<sup>8</sup>

A series of dramatic suicide attacks and the routine kidnapping of Westerners beginning a few months after the second Israeli invasion of Lebanon in 1982 was henceforth associated with an organization

6 Shorab Sobhani, *The Pragmatic Entente. Israeli-Iranian Relations, 1948–1988* (New York: Praeger, 1989), pp. 121–129.

7 Center for Defense Information (CDI) Terrorism Project, *In the Spotlight: Hezbollah (Party of God)*, 25 February 2002, p. 1, at [www.cdi.org/terrorism/hezbollah-pr.cfm](http://www.cdi.org/terrorism/hezbollah-pr.cfm) accessed on 6 March 2003.

8 Gary Sick, "Iran: Confronting Terrorism," *The Washington Quarterly*, 26:4, pp. 83–98, p. 85; Rabil, *op. cit.*, p. 76.

later known as Hezbollah – the Party of God.<sup>9</sup> Iran's clerical establishment was closely linked to what Martin Kramer has since referred to as a “coalition of ulama [Muslim jurisconsults], each of whom brought with him his circle of disciples.” The bonds among Hezbollah clerics were forged at one of the principal centers of Shi'ite learning, in Najaf, Iraq. Subsequent to his expulsion from Iran, Ayatollah Ruhollah Khomeini himself arrived in Najaf in 1965. Notably, many of Hezbollah's key exponents and spiritual leaders hail either from Najaf, or otherwise spent considerable time in training there: Sheikh Subhi al-Tufayli, Ayatollah Sayyid Muhammad Husayn Fadlallah, the spiritus rector of the group rather than its active leader, and the mysteriously vanished Musa Sadr.<sup>10</sup>

While some of these men dominated much of the later 1980's, a steady process of “Lebanonization” – a carefully orchestrated reappraisal of ideological values keeping the group in the fold of Iranian radicals versus pragmatic politics that would determine the group's position with a view to an eventual cession of the Lebanese civil war – was commenced under Sheikh Abbas al-Musawi. Following Musawi's assassination, “Lebanization” became the underlying tenor of Hezbollah under the direction of its present Secretary-General, Sheikh Hassan Nasrallah.<sup>11</sup> In spite of Hezbollah's stunning evolution from a parochial Islamic resistance movement to Iran's ideological extension and a key terrorist player in the Middle Eastern regional context, to the self-confident champion of Lebanon's Shi'ite minority in constitutional politics, the group has remained a willing pawn in a game played by Iran and increasingly dominated by its wary ally in this matter, Syria's regime and, by extension, its forces of occupation in Lebanon.<sup>12</sup> In a program published on 16 February 1985, Hezbollah

- 9 Hala Jaber, *Hezbollah. Born with a Vengeance* (New York: Columbia University Press, 1997), pp. 17–18; Bernard Lewis, *The Crisis of Islam. Holy War and Unholy Terror* (London: Weidenfeld & Nicholson, 2003), p. 118; Friedman, *op. cit.*, pp. 179–182.
- 10 Martin Kramer, “The Moral Logic of Hizballah,” in Walter Reich, ed., *Origins of Terrorism: Psychologies, Ideologies, Theologies, States of Mind* (Cambridge: Cambridge University Press, 1990), pp. 131–157, pp. 134–135; Jaber, *Hezbollah*, 11.
- 11 Magnus Ranstorp, “The Strategy and Tactics of Hizballah's Current ‘Lebanonization Process,’” *Mediterranean Politics*, Vol. 3, No. 1 (Summer 1998), pp. 103–134, pp. 116–130.
- 12 Gary C. Gambill and Ziad K. Abdelnour, “Hezbollah: Between Tehran and Damascus,” *Middle East Intelligence Bulletin*, Vol. 4, No. 2 (February 2002) at [www.meib.org/articles/0202\\_11.htm](http://www.meib.org/articles/0202_11.htm) accessed on 11 June 2003.

made plain to whom it owed its allegiance and how it defined itself as “the party of God the vanguard of which was made victorious by God in Iran... We obey the orders of one leader, wise and just, that of our tutor and *faqih* [supreme jurist/leader] who fulfils all the necessary conditions: Ruhollah Musawi Khomeini. God save him!”<sup>13</sup>

Through Hezbollah, revolutionary Iran became a regional player of considerable significance in the Near East. Thanks to its proxy and a strategic convergence with Syria, the Iranian radical clerics were also able to bypass a cordon consisting of Arab states that had by and large constrained Iranian freedom of action in the sphere of power politics: Hezbollah effectively set a limit to Iran’s post-Revolutionary isolation and extended its patron’s grasp to the Levant. Iran’s support for political violence movements is rooted in the interplay of denominationally determined ideology, exemplified by the strategic export of the Islamic Revolution after 1979; the Iranian self-perception as a regional outsider; and the continuity of traditional Iranian foreign policy that has remained steeped in much of its attendant historic insecurities and pre-Revolutionary animosities.

### **1.3 Background on Syrian support for PVMs under Hafez and Bashir al-Asad**

Syria’s dalliance with terrorism and political violence predates that of Iran. While early Syrian dealings with terrorist sub-state actors are closely connected to the Arab-Israeli conflict in the wake of the Suez crisis, Syrian support for political violence movements has in the interim transcended that particular battleground. The precedent showcases were Syria’s campaign of terror conducted against the Hashemite kingdom of Jordan from 1960–61 and its late support for Kurdish insurgents.<sup>14</sup> In terms of its clientele, Syria’s support for political violence movements and terrorism in the Middle East and beyond can be traced to the early days of Palestinian militant groups from the later 1950’s onward; it is further evidenced by the close cooperation achieved between Fatah and the Syrian Deuxième

13 Barry Rubin and Judith Colp Rubin, eds., *Anti-American Terrorism and the Middle East* (New York: Oxford University Press, 2002), p. 50.

14 Efraim Inbar, *The Israeli-Turkish Strategic Relationship* (Ramat Gan: The Begin-Sadat Center for Strategic Studies, 2003), pp. 177–179; Andrew Rathmell, “Syria’s Intelligence Services: Origins and Development,” *The Journal of Conflict Studies* (Fall 1996), pp. 75–96, pp. 83–88.



Bureau by 1964.<sup>15</sup> Following the end of the French mandate in 1943/1946 to 1969, the Deuxième Bureau was the principal Syrian intelligence agency, closely modelled upon services maintained by its European mandatory power.

This development is significant, as Syrian war by proxy – its application of terrorism internally and externally – was managed, and is run to this day, through the intelligence services – the ubiquitous Mukhabarat. Among many others, al-Saiqa (“Thunderbolt”) stands out as the most blatant example among the Palestinian client groups. It is a sizeable Palestinian group embodied in 1968 and answerable directly to the leadership of the Syrian Ba’ath party; capable of sustained guerrilla warfare, this group was created and backed by the Syrians with the express intent of using it against Israel. Notably, al-Saiqa’s loyalty towards Syria was such that, against the backdrop of the Lebanese civil war, this “unit” elected to fight against Yassir Arafat’s Fatah organization alongside its Syrian patrons in 1976, and again in 1983. Most important, operations carried out by al-Saiqa, and other Palestinian groups domiciled in Damascus, were, and remain, plausibly deniable by the Syrians.

The extent of Syria’s involvement with terrorism became pronounced during the long reign of Hafez al-Asad. Asad, the nationalist exponent in government, and the then minister of defence, came to power through a coup against his socialist nemesis, Salah Jadid, in November 1970. His accession paved the way for a period of continuity in the forceful, and increasingly frequent underhand, pursuit of foreign policy objectives against regional rivals, and the ruthless consolidation of suzerainty in the country, peaking with the persecution of the Muslim Brotherhood and the partial razing of the town of Hama in early February 1982.<sup>16</sup> Asad’s tenure was also characterized by the homogeneity of the elite. This circumstance, more than any other, aided in the entrenchment of the authoritarian Syrian Ba’athi state: Members of the ruling Alawite clique – a branch of the Shi’a denomination – connected to Asad were given many key posts in the Syrian regime. The Alawite ruling caste, in turn, was tightly controlled by Asad’s favourites, who acted as his satraps in the Syrian security establishment; the numerous security services controlled each other, too.

15 Rathmell, “Syria’s Intelligence Services,” pp. 78–79.

16 Friedmann, *From Beirut to Jerusalem*, pp. 77–105.

This tight system of control and oversight afforded Asad the room to streamline, even regiment, his country's resources in the service of foreign political objectives in the region – not the least of which was confrontation with Israel. Subsequent to the conclusion of the armistice between Syria and Israel in 1974 in the wake of the Yom Kippur War that left the Syrian military in tatters – a condition that has only gone from bad to worse since the collapse of the Soviet empire –, Asad's exertions against Israel of necessity shifted towards attacking Israel by other, less overt, means.<sup>17</sup> Indubitably, the rationale behind the Syrian "terror weapon," as it has been referred to by one analyst, "was the wide gap between the far reaching aspirations of the Ba'ath regime to achieve regional hegemony... and the objective limitations and weaknesses of Syria from a military, economic and demographic perspective..."<sup>18</sup> A veritable growth industry, Syrian support for Palestinian dissident-nationalist and Marxist groups, such as Ahmed Jibril's Popular Front for the Liberation of Palestine-General Command (PFLP-GC) and Naif Hawatmeh's Democratic Front for the Liberation of Palestine (DFLP) and George Habash's now largely defunct Popular Front for the Liberation of Palestine (PFLP), burgeoned as of the mid-1970s. In the 1990s, Syria also took the most recent manifestation of Palestinian terrorism under its wing: The Islamist-rejectionist groups, such as Harakat al-Jihad al-Islami al Filastini (Palestinian Islamic Jihad, i.e. PIJ) and Harakat al-Muqawama al-Islamiyya (Hamas) accordingly found a new home in the environs of Damascus.<sup>19</sup>

The acquisition of Islamist "arrows" to Syria's figurative "quiver" of Palestinian militancy is in and of itself quite significant. On

17 R. Reuben Miller, "The Israeli-Syrian Negotiations," *Mediterranean Quarterly*, Fall 2000, pp. 117–139, pp. 125–126; for a current assessment of the military balance in the Middle East cf. Amnon Barzilai, "Study: Israel's Strategic Edge is at High Point After Iraq War," *Ha'aretz*, 22 September 2003 at [www.haaretzdaily.com/hasen/objects/pages/PrintArticleEn.jhtml?itemNo=342920](http://www.haaretzdaily.com/hasen/objects/pages/PrintArticleEn.jhtml?itemNo=342920) accessed on 22 September 2003.

18 Reuven Erlich, "State-Sponsored Terrorism: Terrorism as a Preferred Instrument of Syrian Policy," jointly published by *The Intelligence and Terrorism Information Center* at the *Center of Special Studies (C.S.S.)* and *The International Policy Institute for Counter-Terrorism*, 1998, 21 pp., p. 2. An updated version of this article of 2001 is available at [www.ict.org.il/articles/articleDet.cfm?articleid=400](http://www.ict.org.il/articles/articleDet.cfm?articleid=400) accessed on 17 June 2003.

19 Rabil, *op. cit.*, p. 136.

this point, Robert Rabil recently commented: “[B]y supporting the Islamists, the [Alawite] regime sends a clear message to Israel that Syria not only has at its disposal tools of political pressure, but also holds cards for either enhancing or curbing future radical Islamic activism.”<sup>20</sup> Evidently, this change has not been lost on the Fatah-dominated Palestinian Authority (PA) itself, for Syria’s support of PIJ and Hamas after the Cold War has yet again created a serious challenge to the preponderance of Fatah, its primacy within the Palestinian Liberation Organization (PLO), its credibility in the eyes of its natural constituents in the Palestinian refugee camps across the Arab world and, by implication, its role as the uncontested defender of the Palestinian people.<sup>21</sup> More recently, relations between the nationalist elements of the Palestinian militants that gradually settled into the impugnable respectability afforded by the PA, and those Palestinians having espoused the principles of Islamic militancy are increasingly equivocal. This sense of ambiguity has only been reinforced by the criticism voiced through PIJ vis-à-vis the PA – the PIJ being the Islamist group that traditionally maintained closer ties with Arafat’s men, as opposed to the anti-nationalist mainstream of Islamism represented by the Muslim Brotherhood and its Palestinian subsidiary, Hamas.<sup>22</sup> Syrian support for Palestinian Islamic groups, not unlike that given by the conservative Ayatollahs in Tehran, constitutes a two-edged weapon that is *not only* directed at Israel and its allies, but was also devised to allow for a degree of control over, and leverage against, the Palestinian nationalist incumbents in the West Bank and in the Gaza Strip.

On the one hand, Syria’s relations with all Palestinian factions since the death of Hafez al-Asad in June 2000 have undergone considerable change to the effect that Syrian support for Palestinian political violence movements has become more pronounced – in the

20 Ibid, p. 137.

21 The last direct challenge to PLO chairman Yassir Arafat, who controls Fatah and by extension the PLO, was represented by the Fatah Revolutionary Council/Abu Nidal Organization (ANO), headed by Sabri al Banna, which acted at the behest of the Iraqi Ba’athi state after 1974 and waged a veritable campaign of terror against Arafat’s Fatah, the PLO and the Syrians.

Cf. the relevant entry in the data base on the International Policy Institute for Counter-Terrorism at [http://www.ict.org.il/inter\\_ter/orgdet.cfm?orgid=2](http://www.ict.org.il/inter_ter/orgdet.cfm?orgid=2)

22 Meir Hatina, *Islam and Salvation in Palestine*, Dayan Center Papers No. 127 (Tel Aviv: Tel Aviv University, 2001), pp. 67–76.

face of mounting U.S. disapproval. On the other hand, the accession to power of Bashir al-Asad, Hafez' son, has created favourable conditions for a rapprochement between the Ba'athi state and Arafat.<sup>23</sup> From the vantage of regional stability, both trends are reason for concern. While Bashir's mounting support for the "Palestinian resistance" from Damascus, and the concomitant legitimizing rhetoric vis-à-vis the West, point towards a potential escalation of hostilities with Israel, and the provocation of a direct intervention by the United States, the convergence of Palestinian nationalist and Syrian regional interests suggests an emphasis on carrying the war to the Palestinian territories adjacent to Israel. According to all outward appearances, this shift is increasingly assuming the characteristics of a trend, as Hezbollah's activities in the West Bank, the Gaza Strip and even in Israel, have been on the rise since 2001.<sup>24</sup>

#### 1.4 Geo-strategy and Power in the Middle East: Iran and Syria Between Regional Aspirations and Isolation

Before entering a discussion on Iran's and Syria's place in the pecking order of Middle Eastern power politics, two issues require clarification: First, there are no credible supranational Middle Eastern institutions to speak of, only spheres of influence cloaked in the trappings of multilateralism and exclusively maintained by those potentates with the means to back them up. Analogous to Martin Kramer's epithet for the lopsidedness of Middle Eastern Studies in the U.S. – figuratively rendered as *Ivory Towers on Sand* –, the frequently invoked perception at seats of higher learning throughout Western Europe and elsewhere of weak institutions in the Middle East that only require positive incentives (read: cash) to propel them to fruition is in need of a fundamental reappraisal.<sup>25</sup> Targeting the U.S.'s recent fit of idealism as

23 Gary Gambill, "Syria's Foreign Relations: The Palestinian Authority," *Middle East Intelligence Bulletin*, Vol. 3, No. 4 (April 2001) at [www.meib.org/articles/0202\\_11.htm](http://www.meib.org/articles/0202_11.htm) accessed on 12 June 2003.

24 Levitt, *Targeting Terror*, pp. 51–53.

25 Martin Kramer, *Ivory Towers on Sand: The Failure of Middle Eastern Studies in America* (Washington, D.C.: The Washington Institute for Near East Policy, 2001). In his book, and as suggested by its title, Kramer launches into an in-depth investigation of the world of publicly funded academic research on the Middle East in America. Similarly, in 1984 the late Elie Kedourie had established a precedent with his seminal essay "The Chatham House Version," in which he castigated

expressed in President's George W. Bush's desire to help the spread of democratic ideas in the Middle East, two observers ironically commented that "[c]ontrary to Washington powerbrokers' expectations and sensibilities, it has been the indulgence of the autocrats, not the benevolence of the Arab populace, that has kept America's influence in the Middle East intact."<sup>26</sup> Institutional well-wishers from other regions would do well to differentiate between those Middle Eastern non-governmental organisations that have been co-opted by authoritarian governments, thrive, but lack all independence and thus constitute "failed" rather than "feeble" institutions when measured against the institutional yardstick; and such as have been subsumed under the term of "civil society," have retained a measure of autonomy and are therefore frequently proscribed by their governments, which view them as insidious revolutionary fronts. By way of an example, the court of Western public opinion has proven lax in remembering that one of the few non-state actors in the Arab world worth the qualification "independent" only survives due to the fact that the indigenous, quasi-autonomous and patently corrupt *governmental structure* that is not dissimilar to itself, and therefore woefully inadequate to its task, has proven unable to suppress it: Hamas – an offshoot of the Muslim Brotherhood – and the Palestinian Authority respectively. Reportedly, the fate of the Muslim Brotherhood in Syria after the spring of 1982 and in Egypt following Anwar el-Sadat's assassination in October 1981 clearly contrasts with the experience of its Palestinian subsidiary and serves as a bloody, if illustrative, case in point. Inappropriate cultural transposition is a scourge apprehended not only by the practitioners of anthropology.

Second, recourse to coercive diplomacy and military power in the settlement of disputes is, not by choice but lack of alternatives, frequently the final arbiter in a conflict – an alliteration of territorial and existential wars since 1945 attests to the veracity of this assertion.

Arnold Toynbee and the British academic establishment at the Royal Institute for International Affairs with considerable wit and irony for having expounded a facile, and hence undifferentiated perspective on the Middle East. Elie Kedourie, *The Chatham House Version and Other Middle Eastern Studies* (Hanover, N.H.: University Press of New England, 1984), pp. 351–461.

- 26 Ray Takeyh and Nikolas K. Gvosdev, "Democratic Impulses Versus Imperial Interests: America's New Mid-East Conundrum," *Orbis*, Vol. 43, No. 7 (Summer 2003), pp. 415–431, p. 419.

The greater Middle East is exemplary of the Realist school's anarchic system – even more so after the conclusion of the Cold War than during the half-century of bipolar conflict: Democracy has remained an island in a vast sea of Oriental-style despotism cloaked in presidencies, party secretariats and other euphemisms used to flatter autocrats and their narrow ruling elites. Although the issue of democratizing the Middle East has been raised repeatedly, not least against the backdrop of the Second and Third Gulf Wars, one important question concerning this matter, whether democratizing the Middle East is ultimately desirable for the members of the Coalition, remains unanswered.<sup>27</sup> Be that as it may, for the present purpose the above attempt at characterizing Middle Eastern regional politics applies particularly well to Iran and Syria – states run by their respective secret police and intelligence organizations rather than democratic institutions.

Iran and Syria are fundamentally different in terms of their respective political clout and military potential, yet, on the level of their regional aspirations, and the manner in which these two states pursue their respective objectives, they have much in common. Expediency and pragmatism have made possible the bridging of such differences between Iran and Syria, as would otherwise stand in the way of limited cooperation in the security political domain. On the strategic end, the glaringly obvious commonality resides in their status as pariah states – albeit for different reasons – on the regional, as well as on the international levels.<sup>28</sup> Despite the frequent (if, in the case of Syria, guardedly) instrumental invocation of Islam as the common denominator superseding occasional political ruptures and the intermittent acrimonious bickering over territorial legacy problems among the Islamic states of the greater Middle East, Iranian and Syrian aggressive posturing towards other regional actors has done

27 Israel Harel, "A Free Middle East," *Ha'aretz*, 13 November 2003 at [www.haaretz.com/hasen/objects/pages/PrintArticleEn.html?itemNo=360181](http://www.haaretz.com/hasen/objects/pages/PrintArticleEn.html?itemNo=360181) accessed on 13 November 2003; Martin Kramer, "Should America Promote a Liberal Democratic Middle East?" 2002 Weinberg Founders Conference, The Washington Institute for Near East Policy at <http://www.geocities.com/martinkramerorg/Landsdowne2002.htm> accessed on 12 November 2003.

28 Syria has been on the US State Department's state sponsors of terrorism list since 1978. Iran is held to be "the most active state sponsor of terrorism in 2002." Levitt, *op. cit.*, p. 48; US State Department, *Patterns of Global Terrorism 2002*, *op. cit.*, p. 77.

much to foster a pervasive sense of unease and even of outright apprehension throughout the region.

Iran constitutes something of a wild card in the greater Middle East. This is largely due to the circumstance that the country's political elite is sundered by irreconcilable visions of the future. Two forces impel Iran toward a course of foreign political adventurism: The more obvious of these dynamics is the Islamic radicalism that emerged as a consequence of the Revolution of 1979, which created the ideological basis for fuelling the ongoing export of Islamic revolutionary values to like-minded groups in Bahrain, Iraq, Kuwait, Lebanon and Saudi Arabia.<sup>29</sup> Unrequited Persian nationalism, the second driving force behind Iranian assertiveness in the region, will almost certainly protract "[t]he quest for influence and status... [that] will remain an important component of any future Iran."<sup>30</sup> Beyond these catalytic dynamics, the fall of the Soviet Union removed a substantial threat along Iran's borders and greatly impacted on Iran's security political environment and, hence, its geo-political outlook in that it created a novel sense of relative safety and stability. In the short term, the waning of external Arab threats was further marked by the U.S.-led intervention against Iraq during the Second Gulf War (1990–1991). An augmented U.S. presence in the Gulf region, however, has created its own problems by introducing a new, vested interest into the brittle Middle Eastern balance of power.<sup>31</sup>

Conversely, following the First Gulf War against Iraq (1980–1988) and subsequent to the death of Ayatollah Khomeini in 1989, a new long-term trend in Iranian politics came to the fore that largely set the stage for events that followed. It constitutes a new source of instability in the country and, potentially, for the entire region: The ascendancy of the reformers in parliament and its corollary, the challenge to the clerical regime in Tehran. Paving the way to reform were the forces of moderation that gradually re-entered the mainstream of Iranian politics. Ali Akbar Hashemi Rafsanjani, the leader of the "centrists" in the Majlis (the Iranian parliament) was elected to the newly empowered presidency in 1989 and served a second term until

29 Byman, Chubin, Ehteshami, Green, *op. cit.*, p. 8.

30 *Ibid.*, p. 10.

31 *Ibid.* p. 12. With special reference to Iranian territorial claims, this is especially evident in the case of the establishment of the Gulf Cooperation Council and the concomitant curtailment of Iranian influence in the Gulf region.

1997; following the failure of his Western influenced market reform policies, Rafsanjani's succession was resolved in a surprise landslide election that enthroned the reformist Seyyid Mohammad Khatami as new president. Considerable tension has marked Iranian politics since. While Rafsanjani had been a close confidante of Khomeini, and therefore possessed the necessary credentials to assuage conservative concerns about his economic policies, Khatami was an outsider and his electoral victory came as a crushing defeat to the clerical hard-liners.<sup>32</sup>

The period between 1997 and the present has been marked by internecine power struggles pitting reformers against conservatives in government. The tremors of the resulting imbroglio have been felt beyond Iran; one of its principal manifestations is the continued support for Islamist groups in the region during a period of open challenge to the Ayatollahs. At its epicenter, the conflict has engendered a Manichean culture of governance, aptly adumbrated by Gary Sick:

Some parts of its [the Iranian] government – the presidency, the Majlis (parliament), and the functional ministries – though far from a fully functioning democracy, are held accountable for their policies and actions through public review and frequent elections. A second set of government institutions, including the Supreme Leader (velayat-e faqih), oversight committees such as the Guardian Council and the Expediency Council, and the security services, are dominated by a conservative clergy who are officially above reproach, essentially accountable only to themselves... The tension between these two unevenly balanced power centers affects Iranian policy at all levels so that, at times, Iran appears to be pursuing different or even contradictory objectives.<sup>33</sup>

One example of this equivocation, ostensible vacillation and to all outward appearances, confused policy, is Iran's stance on al-Qaida vis-à-vis the West.<sup>34</sup> In the face of its evident drawbacks, the continued support for proxy warfare in the pursuit of strategic national interests also begs the question of which Iranian faction stands to profit by

32 Ali M. Ansari, *Modern Iran Since 1921. The Pahlavis and After* (London: Longman, 2003), pp. 241–256.

33 Sick, *op. cit.*, p. 83. On this point also see Bahman Baktiari and Haleh Vaziri, "Iran: Doubting Reform?," *Current History*, (January 2003), pp. 36–39, p. 37.

34 A. William Samii, "Iran's Al-Qaeda Problem Won't Go Away," *Radio Free Europe/ Radio Liberty Iran Report*, Vol. 6, No. 38, 22 September 2003, pp. 1–2.



the use of terrorism.<sup>35</sup> Another issue illustrative of the tension within the Iranian governing elite is the development of a nuclear capability – allegedly for civilian use only. The recent testing of a delivery system with a range of 1300 kilometers, a radius that encompasses the state of Israel, has further helped to raise apprehensions in Jerusalem; coupled with the likely development of unconventional capabilities, the debut of the ballistic missile “Shihab-3” has opened up the prospect of potential strategic instability in the Middle East.<sup>36</sup>

This complex development of Iranian security policy under adverse conditions in the past two decades has significantly contributed to the general assessment of Iran as a state ruled by radicals, and a government that is not beyond the use of extreme options as a means to redress grievances, or above projecting its power clandestinely in order to influence regional developments. In particular, the record of Iranian covert operations, persecution of regime dissidents and support of non-Iranian groups prone to use terrorism attests to its theocratic rulers’ evident propensity for the calculated use of sub-state actors in the service of foreign political interest. Indeed, Iranian support for terrorism has effectively provoked a Western policy, albeit one marked by heterogeneity, of containment that has left Iran economically isolated and politically untouchable. Iran’s current debate on the strategic level is two-pronged: Either to put an end to the current encirclement by diplomatic means (e.g. through the so-called policy of “engagement” and “critical dialogue” of the European Union), or to counteract the containing stranglehold of the Western powers by whatever means necessary and available.<sup>37</sup> Concerning the latter question, the response is frequently to bypass the U.S. presence by supporting proxies, either as ideological clients,

35 Sharam Chubin, “Iran’s Strategic Predicament,” *The Middle East Journal*, Vol. 54, No. 1 (Winter 2000), 18 pp., p. 3, at [www.mideasti.org/html/chubin.html](http://www.mideasti.org/html/chubin.html) accessed on 23 June 2003.

36 Ze’ev Schiff, “IDF: Shihab-3 Upgraded to Give Iran Ability to Strike at Israel,” *Ha’aretz*, 22 July 2003 at [www.haaretz.com/hasen/objects/pages/PrintArticleEn.jhtml?itemNo=320485](http://www.haaretz.com/hasen/objects/pages/PrintArticleEn.jhtml?itemNo=320485) accessed on 22 July 2003; Ibid., “Discovering the Shihab-3,” *Ha’aretz*, 23 July 2003 at [www.haaretz.com/hasen/objects/pages/PrintArticleEn.jhtml?itemNo=320992](http://www.haaretz.com/hasen/objects/pages/PrintArticleEn.jhtml?itemNo=320992) accessed on 23 July 2003; Matthew Gutman, “Shihab-3 ‘Very Bady News,’” *The Jerusalem Post*, 8 July 2003 at [www.jpost.com/servlet/Servlet?pageName=Jpost/A/JPArticle/PrinterFull&cid1057](http://www.jpost.com/servlet/Servlet?pageName=Jpost/A/JPArticle/PrinterFull&cid1057) accessed on 8 July 2003.

37 Gawdat Bahgat, “Iran and Terrorism: The Transatlantic Responses,” *Studies in Conflict and Terrorism*, Vol. 22 (1999), pp. 141–152, p. 146.

as in the case of the southern Iraqi and Lebanese Shi'ite minorities and their respective militias, as political allies, as in the case of Hamas and other non-Islamist Palestinian groups, or as mutually convenient joint ventures, as in the case of the Iranian and Syrian-backed PIJ and Hezbollah.<sup>38</sup> Retrospectively, and somewhat ironically, there is an Imperial precedent in Iranian foreign policy of avoiding a cordon sanitaire, albeit of a different kind: The Shah, too, skipped across the Arab belt in the 1970s and sought support from the U.S., while also cooperating with Israel on, inter alia, defense affairs.<sup>39</sup>

A strong U.S. military presence in the wake of the Third Gulf War (March–May 2003) at Syria's doorstep has as yet not shown a deterrent effect; it has proven unable to visibly dampen Syria's penchant for the supporting of terrorist activity. Although the U.S. has not yet played its hand, and U.S. impatience with Syria over its support for PVMs and the Ba'athi resistance in post-war Iraq is mounting, the current Syrian geo-strategic concern after the Cold War can be reduced to the threat of being sandwiched in between two U.S. allies that also constitute, in terms of the Middle Eastern military balance, the principal regional powers.<sup>40</sup> Israel and Turkey upgraded their bilateral relations during the later 1990s and have, for all practical purposes, entered into an extended understanding on regional challenges. At the heart of this understanding was the need to credibly deter the three principal poles of Middle Eastern instability: Iran, Iraq and Syria. Linguistically, culturally and ethnically, these two non-Arab states are outsiders in the Middle East – a condition they share with Iran and which has in recent years contributed to, if not the formation of a mutually obligatory defense pact then, an initially awkward defense cooperation that currently displays all the trappings of a durable regional alliance in the offing. In addition, both

38 On Iranian-Syrian support for PIJ see Matthew A. Levitt, "Sponsoring Terrorism: Syria and Islamic Jihad," *Middle East Intelligence Bulletin*, Vol. 4, No. 11–12 (November–December 2002) at [www.meib.org/articles/0211\\_s1.htm](http://www.meib.org/articles/0211_s1.htm) accessed on 12 June 2003.

39 Sobhani, *op. cit.*, pp. 115–135.

40 Ziad K. Abdelnour, "The US-Syrian Crisis: Why Diplomacy Failed," *The Middle East Intelligence Bulletin*, Vol. 5, No. 10 (October 2003), p. 3 at [www.meib.org/articles/0310\\_s1.htm](http://www.meib.org/articles/0310_s1.htm) accessed on 29 October 2003; Andrew Buncombe, "Iran and Syria Told to Stop Foreign Fighters Going to Iraq," *The Independent*, 29 October 2003 at [http://news.independent.co.uk/low\\_res/story.jsp?story=458316&host=3&d1r=70](http://news.independent.co.uk/low_res/story.jsp?story=458316&host=3&d1r=70) accessed on 29 October 2003.

Israel and Turkey take a dim view of Iran – the former because of Tehran's nuclear ambitions and consistent support for Shi'ite and Palestinian PVMs in the region, the latter for Iran's meddling in its internal affairs and, in an intersection of interests with Israel, due to a pronounced post-Cold War rivalry over political and economic interests in the former Soviet Central Asian republics.<sup>41</sup> At the end of the day, the Israeli-Turkish rapprochement presents Syria with a more persistent and palpable threat than that of an impressive, albeit only short to mid-term sustainable, U.S. military presence on its doorstep: The prospect of a two-front war against the regional hegemon and NATO's second largest conventional military force looms large in the event that Damascus will in the future not curb its support for terrorist proxies.<sup>42</sup>

Syria's dispute with Turkey is varied and simultaneously exists on several levels. As riparian stakeholders in the management of water resources, the regime of Asad the elder, alongside that of Saddam Hussein of Iraq, has in the past taken umbrage at Turkey's unilateral management of the Tigris, Euphrates and Asi rivers. Concerning a matter of territorial dispute, Syria's historical claim to the Turkish Hatay province of Iskenderun (formerly Alexandretta), which was ceded to Turkey by France in 1939, has proven conducive to a bilateral climate of friction.<sup>43</sup> Finally, Damascus sought to create leverage vis-à-vis Ankara by supporting Kurdish insurgents of the Partiya Karkeren Kurdistan (PKK) engaged in a guerrilla war in Anatolia. The PKK leadership enjoyed a safe haven in Syria and was provided by Damascus with training facilities in the Syrian satrapy of Lebanon.

The contentiousness of these unresolved issues intensified in the early 1990s, when Syrian and Iraqi opposition to Turkish control of water became determined in the face of the completion of the Atatürk dam that established Ankara's stranglehold on water

41 Raphael Israeli, "The Turkish-Israeli Odd Couple," *Orbis*, Vol. 45, No. 1 (Winter 2001), pp. 65–79, pp. 72–73.

42 Ely Karmon, "A Solution to Syrian Terrorism," *Middle East Quarterly* (June 1999), 10 pp., pp. 2–3 at [www.meforum.org/pf.php?id=464](http://www.meforum.org/pf.php?id=464) accessed on 23 June 2003.

43 Meltem Müftüleri Bac, "Turkey and Israel: An Evolving Partnership," *Ariel Center for Policy Research*, Policy Paper No. 47 (1998), p. 2 at [www.acpr.org.il/publications/policy-papers/pp047-xs.html](http://www.acpr.org.il/publications/policy-papers/pp047-xs.html) accessed on 23 June 2003.

resources in the immediate area. At the same time, the deployment of Turkish regulars across the Iraqi border underlined Ankara's determination to extraterritorially hunt down PKK guerillas. The upshot was that the decisive pursuit of Turkish counter-insurgency operations against PKK led the to brink of war. In a dramatic show-down that was initiated by an ultimatum delivered to Damascus in 1998, Turkish troops massed along the Turkish-Syrian border. Turkish divisions stood poised to invade Syria in the event that Asad would not agree to significantly scale down – if not effectively terminate – support for PKK. Only the expulsion of Abdullah Öcalan averted a Turko-Syrian military confrontation in the nick of time.<sup>44</sup>

The key lesson of Turkish policy with respect to Syrian support for political violence movements was not lost on Syria's major adversary, Israel. As Efraim Inbar somewhat dryly observed in the wake of the Turkish-Syrian crisis: "Syria is susceptible to military pressure."<sup>45</sup> Israel and Syria have officially been at war since the inception of the Jewish state in May 1948. In the wider context of the regional security system, Syria's relations with Israel, by and large dominated by proxy-warfare interspersed with only few instances of direct confrontation, are subject to a precariously ill-defined understanding of territorial, political and military "Red Lines" – informal do's and don'ts. Formal agreements merely act as legal fallback positions. Subsequent to the cession of hostilities that began with the joint Syrian-Egyptian attack on Israel in October 1973, Syria and Israel signed the Israeli-Syrian Disengagement Agreement on 31 May 1974; the 1974 armistice was itself a successor to the then practically defunct Israeli-Syrian General Armistice Agreement of 20 July 1949.<sup>46</sup>

The introduction of Palestinian Fedayeen to Lebanon following their defeat during the Jordanian Civil War in 1970 was largely responsible for a volatile and explosive skewing of the Lebanese confessional balance by 1975, with the Christian Maronites demanding the ouster of a quasi-autonomous Palestinian state within Lebanese

44 Efraim Inbar, "Turkey's New Strategic Partner: Israel," in Efraim Inbar, *The Israeli-Turkish Strategic Partnership*, The Begin-Sadat Center for Strategic Studies, Mideast Security and Policy Studies No. 53 (Ramat Gan: Bar Ilan University), pp. 165–190, p. 168.

45 Efraim Inbar, "The Calculus of Violence in Lebanon," *The Jerusalem Post*, 11 January 1999 at [www.jpost.com/com/Archive/11.Jan.1999/Opinion/Article-3.html](http://www.jpost.com/com/Archive/11.Jan.1999/Opinion/Article-3.html) accessed

46 Rabil, *op. cit.*, pp. 8, 26.

territory, and the Muslims throwing their weight behind the PLO as a natural ally.<sup>47</sup> As a consequence, the Lebanese army divided along sectarian lines. Hence, one year after the conclusion of the Israeli-Syrian armistice, the Lebanese Civil War (April 1975-May 1992), provided the stage for both direct and indirect conflict between the Soviet-backed Syrians and the U.S.-supported Israelis and their local Christian allies. Following the outbreak of the Civil War, Syria invaded its neighbor on 31 May 1976.

While the first phase of the Lebanese Civil War belonged to the various Palestinian and indigenous Lebanese confessional militias (e.g. Druze, Christian Maronites and Shi'ites), the Lebanese conflict came to be dominated by a new force after 1982: Islamism claimed the center stage. Syria used most, if not all of these belligerent elements in a protracted campaign against Israeli forces and allied groups. Israel itself invaded Lebanon on two occasions, in 1978 (operation "Litani") and again 1982 (operation "Peace for Galilee"), with the intent of dislodging the Palestinian Fedayeen. Between the second Israeli invasion and their retreat in June 2000, Israel financed, trained and equipped its own auxiliaries, mostly Christian Maronite troops (e.g. the Phalange in the late 1970s and through the 1980s and the South Lebanon Army (SLA) in the 1990s).<sup>48</sup> Arrayed against the Israel Defense Forces (IDF) and its confederates were the numerous Syrian, and in some instances joint Syrian-Iranian, backed Sunni and Shi'ite Islamist, and in the early 1990s even Christian (i.e. the Lebanese Forces (LF)), militias. Due to the confessional divides among its clients, Syria, as mentioned elsewhere, was time and again compelled to manage its recalcitrant Lebanese warlords with an iron fist.<sup>49</sup>

The origins of the Iranian-Syrian cooperation against Israel can also be traced to the Lebanese theater of war of the 1980s. The strange dynamic of the Iranian-Syrian entente in Lebanon serves to illustrate the tensions that contributed to the shaping of Syrian defense policy with respect to the use of political violence movements. In spite of Iranian and Syrian jockeying for a position of preeminence with Leb-

47 Friedman, *op. cit.*, pp. 16–17.

48 Jaber, *op. cit.*, pp. 7–14.

49 Ibid., pp. 31–35; Daniel Nassif, "Maj. Gen. Ghazi Kanaan. Head of Syrian Intelligence in Lebanon," *Middle East Intelligence Bulletin*, Vol. 2, No. 1 (January 2000), p. 2 at [www.meib.org/articles/0001\\_15.htm](http://www.meib.org/articles/0001_15.htm) accessed on 12 June 2003; Michael Young, "Lords Over Lebanon," *Slate MSN*, 8 May 2003, p. 3 at <http://slate.msn.com/id/2082730/> accessed on 7 August 2003.

anon's Shi'ites, (the Syrians backed Amal and Iran was busy establishing Hezbollah), it was indeed Syria that entered into an alliance with Iran out of a position of relative weakness resulting from its resounding defeat at the hands of the IDF in 1982. Conversely, it is important to understand that Syria's predicament in the wake of Israel's second invasion was preceded by a six-year-period of virtual military preponderance, which firmly entrenched it as a key player in Lebanon.

Under cover of an Arab League Council mandate entitled the "Arab Deterrent Force" (ADF) that expired in July 1982, Syria has since created a power base in Lebanon. The Asad regime has deployed some 30,000 troops there. Moreover, it has systematically permeated the fabric of Lebanese political life with a veritable host of Mukhabarat operatives. By the mid-1990s, the head of the Lebanese Sureté Générale (the principal Lebanese intelligence agency) was effectively subordinated to Major General Ghazi Kanaan, the senior Syrian intelligence officer in Lebanon. Nothing happens without the knowledge or sanction of Syrian intelligence: Lebanon has become a Syrian-run police state – a part of "Bilad ash-Sham," of Greater Syria.<sup>50</sup> Kanaan's intelligence network was at the time also responsible for the supervision of terrorist attacks against the Christian SLA, the IDF and U.S. military and civilian targets.<sup>51</sup> Notably, the Syrian military presence in Lebanon since 17 September 1982 is maintained in contravention to United Nations Resolution 520, while, by a twist of fate, United Nations Resolution 425 justifies it. Resolution 425 specifically calls on the belligerents to respect Lebanese sovereignty, stipulates the withdrawal of the IDF, but not that of the Syrian armed forces.<sup>52</sup>

Aside from the 500 Iranian volunteers that served as auxiliaries alongside Syrian regular troops in the Beqaa Valley, Damascus permitted the deployment of 1,500–2,000 Iranian Pasdaran – members of the Iranian Revolutionary Guard Corps (IRGC) – to Baalbek in the Beqaa. The Pasdaran proved instrumental in the training and equipping of a then nascent Hezbollah. Despite an ongoing power struggle between Damascus and Tehran over its Shi'ite clients at that time, it

50 Nassif, *op. cit.*, pp. 1–2.

51 Boaz Ganor, "Syria and Terrorism," Survey of Arab Affairs, *Jerusalem Center for Public Affairs*, 15 November 1991, p. 7 at [www.jcpa.org/jl/saa26.htm](http://www.jcpa.org/jl/saa26.htm) accessed on 30 June 2003.

52 Eric V. Thompson, "Will Syria Have to Withdraw from Lebanon?," *Middle East Journal*, Vol. 56, No. 1 (Winter 2002), pp. 72–93, pp. 73, 75–78.

was Ali Akbar Mohtashemi, Iran's ambassador to Syria, who directed Hezbollah operations with the connivance of Hafez al-Asad.<sup>53</sup> The Saudi-Syrian engineered Taif Accord of October 1989 revised the confessional balance of power in the Lebanese government in that it created a new power-sharing settlement favorable to Syrian interests: "The Taif agreement erected a re-designed troika regime headed by the Christian Maronite President with reduced powers, the Sunni Prime Minister with increased powers, and the Shi'ite Speaker of the National Assembly."<sup>54</sup> In more recent times, the Iranian-Syrian working relationship in the exporting of terrorism has not only turned Lebanon into an effective staging area from which its proxies are able to prick the IDF, but has managed to successfully transplant itself to the very gates of Israel in the West Bank and Gaza Strip.

## **1.5 The Palestinian Territories and Lebanon as Operational Theaters of Iranian and Syrian Supported PVMs**

Lebanon, the West Bank and the Gaza Strip have become operational theatres for Lebanese, Palestinian and other political violence movements, the former starting in 1976 – the outbreak of the Lebanese Civil War – and the latter after 1987 – the beginning of the first Intifadah – respectively. In the West Bank and the Gaza Strip, this trend has recently picked up, not least because of a further military intervention by the IDF locally after 29 March to 21 April 2002 (operation "Defensive Shield") and by the Coalition regionally in March 2003. Meanwhile, the Lebanese front has experienced more or less turbulent times since the withdrawal of IDF in June 2000, but remains a potential theatre for low-intensity conflict. Notably, the traditionally self-absorbed, almost parochial Lebanese theatre appears to have witnessed a shift from multi-confessional strife to a linkage with pan-Jihadist movements after the terrorist attack on U.S. soil of 11 September and the subsequent U.S. campaign against the Taliban and al-Qaida in Afghanistan (2001). Accordingly, most of this section will focus on the Palestinian arena.

53 Friedman, *op. cit.*, p. 507; Sick, *op. cit.*, p. 85; Jaber, *op. cit.*, pp. 31–32.

54 Mordechai Nisan, "The Syrian Occupation of Lebanon," [n.d.], p. 4 at [www.gotc.org/syrian\\_occupation\\_of\\_lebanon.htm](http://www.gotc.org/syrian_occupation_of_lebanon.htm) accessed on 7 September 2003.

The sustained character of the guerrilla and terror campaigns in these locales is to a significant extent made possible by the initially covert, and increasingly brazenly overt, support of Iran and Syria. The Lebanese Civil War brought about the conflation of the Lebanese internal confessional strife and the protracted Israeli-Palestinian conflict. Although this admixture brought to the fore tensions among anti-Israeli forces in Lebanon, it also gave rise to a dangerous convergence of such belligerents' agendas. This process invariably culminated in numerous, fluid marriages of convenience between the most virulent political violence movements currently operating in the Middle East and their sponsors, while also cementing the working relationship of the powers backing violent groups. In many respects, the present cooperation between political violence movements in the region constitutes one of the ugly legacy problems deriving from a continuing, amalgamated Israeli-Palestinian-Syrian-Lebanese war. This conflict is being reinforced and protracted, if not exacerbated, by Iran's and Syria's strong disapproval of the Coalition's military presence in the Gulf region after 1991, and its occupation of nearby Iraq after May 2003, and these two states' fluid position ranging from tacit approval of anti-Western political violence movements to collusion with such groups. Against this backdrop, a significant factor is Saudi Arabia's equivocation concerning the U.S. driven War against Terror.

Following the successful dislodgement of the PLO from its Beirut fastnesses in 1983, and wracked by internal dissension, Palestinian resistance was considered all but a spent force. The spontaneous uprising against the Israeli occupation of the West Bank and the Gaza Strip of 1987 was brought to a close following the Madrid Conference of 1991, which culminated in the Oslo Peace Process of 1993. The hope for peace that burgeoned during the heady days following the Oslo Agreement and the Israeli-Jordanian Peace one year later, however, were shattered with the assassination in 1995 of Israeli Prime Minister, Yitzhak Rabin. During the tenure of Ehud Barak, an electoral decision in Israel compelled the withdrawal of the IDF from the Security Zone in southern Lebanon in June 2000, thus creating a power vacuum in the former Security Zone that was quickly filled by Hezbollah guerrilla. In the meantime, the former Security Zone has earned itself a reputation as "Hizballahland." The situation along the Lebanese border with Israel went from bad to worse; and renewed tensions with the Palestinians culminated in October 2000



with the sparking off of a riot at the Dome of the Rock in Jerusalem. The start of the so-called al-Aqsa Intifadah marked the beginning of a new epoch of Israeli-Palestinian conflict; it has also been linked to the Israeli withdrawal from the Security Zone.<sup>55</sup>

The three intervening years between October 2000 and October 2003 have witnessed the skyrocketing of suicide attacks; the number of cross-verified, conventional armed attacks against the IDF and civilians inside Israel, too, is at an all time high.<sup>56</sup> In the context of a generally deteriorating economic, political and military situation in the West Bank and Gaza, Palestinian militants of all hues have become emboldened and are implementing a more offensive manner of waging war against the IDF and civilians in the Palestinian Territories and in Israel. On the ground, the sustained nature of this violent surge in the past three years is intimately connected to a previously inexistent, potent constellation of sources of outside support. Although outside support for Palestinian political violence movements does not come as a surprise to the experienced observer of recent Middle Eastern history, the sources of support for terrorist activity themselves have become aggressively involved, while the level of activities financed and otherwise upheld by these outside supporters has waxed concurrently.

Hezbollah's direct involvement in the Palestinian territories following the Israeli withdrawal from the Security Zone constitutes a serious shift away from its self-declared role as an Islamic resistance movement directed against the IDF's presence in southern Lebanon; this organization's military track record in Lebanon, its international outreach and its irrefutable ties to the Guardian and Expediency Councils, the IRGC and the Iranian intelligence service VEVAK in Tehran, as well as its arrangements with Damascus that have allowed it to emerge as the only Lebanese militia spared the decommissioning of arms at gunpoint, bode ill for the prospect of a cession of hostilities in the West Bank and Gaza. In the light of the poor relations

55 Karmon, *op. cit.*, p. 6.

56 Gady Paran, "Palestinian Terrorism in Israel: Developments and Trends," presentation on the occasion of a conference on "International Terrorism: After the War in Iraq," held on 14 October 2003 in Stockholm, Sweden and organized by the Centre for the Study of Low Intensity Conflict and Terrorism (CLIENT) of the Swedish Defence Research Agency (FOI). Dr Paran is with the National Security Studies Center (NSSC), University of Haifa, Israel.

between Tehran and the PLO following a brief honeymoon period after the Iranian Revolution, Hezbollah's stepping up of acts supportive of Palestinian militancy equally suggests a "strategic shift in Iran's dealings with the Palestinians."<sup>57</sup> The recent rapprochement between chairman Arafat and Bashir al-Asad following a meeting on 27 March 2001 also indicates a remedying of historically tense relations between the late Hafez al-Asad and the Fatah brand of Palestinian nationalism.<sup>58</sup> A number of analysts, such as Daniel Byman and Matt Levitt, have been drawing attention to this novel trend with respect to Iran and Syria.<sup>59</sup>

Since the accession of al-Qaida to the position of public enemy No. 1 of the West after 11 September, however, only little attention has been paid to the role of Hezbollah as one of the key elements in a negotiated Israeli-Syrian peace treaty and, by extension, as a significant conduit for Iranian funding of proxy warfare and for the continued support of Palestinian rejectionist groups by Syria. Addressing this issue, Byman in an article published in *Foreign Affairs* recalled U.S. Deputy Secretary of State Richard Armitage, who pronounced that "Hezbollah may be the A team of terrorists," while "al Qaeda is actually the B team."<sup>60</sup>

The roles of Iran and Syria with respect to the Lebanese operational theater have been aptly juxtaposed thus: "If Syria is Hizballah's landlord, Iran is the sugar daddy who pays the rent."<sup>61</sup> The roles in the strategic partnership between Syria and Iran have conveniently fallen into place, rather than having been allotted. In that, the divi-

57 Kenneth R. Timmerman, "Iranian Government Involved 'At The Highest Level,' Israelis Say," *Insight Magazine*, 14 January 2002 at [www.insightmag.com/main/cfm/include/detail/storyid/163929.html](http://www.insightmag.com/main/cfm/include/detail/storyid/163929.html) accessed on 28 May 2003.

58 Gambill, "Syria's Foreign Relations," *op. cit.*

59 Daniel Byman, "Should Hezbollah Be Next?," *Foreign Affairs*, Vol. 82, No. 6 (November/December 2003), pp. 54-66, p. 54; Matthew Levitt, "New Arenas for Iranian-Sponsored Terrorism: The Arab-Israeli Heartland," *Policywatch*, No. 605, The Washington Institute for Near East Policy (22 February 2002) at [www.washingtoninstitute.org/watch/Policywatch2002/605.htm](http://www.washingtoninstitute.org/watch/Policywatch2002/605.htm) accessed on 6 June 2003; Ibid., "Hezbollah's West Bank Terror Network," *Middle East Intelligence Bulletin*, Vol. 5, No. 8-9 (August-September 2003) at [www.meib.org/articles/0308\\_13.htm](http://www.meib.org/articles/0308_13.htm) accessed on 4 November 2003.

60 Byman, *op. cit.*, p. 55.

61 Gal Luft, "Hizballahland," *Commentary Magazine*, Vol. 116, No. 1 (July 2003) at <http://www.commentarymagazine.com/luft.html> accessed on 16 July 2003.

sion of labor in this case accurately reflects the expedient nature of Iranian-Syrian collaboration. Since the withdrawal of the IDF in 2000, most of the fighting involving Hezbollah centers around the disputed territory of the Sheba Farms area in the Golan, or attacks on IDF border patrols. Although Hezbollah's operations in Lebanon against Israeli targets are a known quantity and largely confined to the southern part of the country – and it was long held, erroneously so, that beyond its inflammatory rhetoric Hezbollah had no intention to carry the conflict across the Israeli-Lebanese border for lack of precedents – what is new in the Iranian-Syrian-Hezbollah joint venture is clearly its augmented presence in the West Bank and the Gaza Strip.<sup>62</sup>

In the Palestinian territories, the division of labour is currently just that: Iran and Syria each run major operations, and while they do cooperate with each other on a case-by-case basis, the degree of that cooperation is not yet as advanced, or as clear cut as that in Lebanon. This is particularly evident in the area of arms smuggling through the sea-lanes of the Middle East, to which we will return below. While the recent past has shown that Syria, since its cession of direct involvement in international terrorist activity in 1986, can fall back on Ba'athi and Marxist Palestinian groups, such as Saiqa, PFLP-GC, DFLP, and even on Hezbollah-inspired offshoots of nationalist groups, such as the Al-Aqsa Martyrs' Brigades linked to Fatah, it also finances Jihadist groups, for example, the Izzeldin al-Kassam Brigades operating under the political leadership of Hamas, and the PIJ. Most of these organizations maintain offices and make use of training facilities in Damascus. According to the research of Reuven Erlich

[t]he leaders of most of these terrorist organizations reside in Syria, where they direct the operational, political and propaganda activities of their organizations. The senior officials of the seven terrorist organizations that appear on the [U.S.] State Department's list and receive Syrian support are as follows: Dr Ramadan Shalah, Secretary General of the "Palestinian Islamic Jihad," and his deputy Ziad Nakhlah; Khaled Mash'al, the head of the Hamas political bureau, Musa Abu-Marzuk,

62 Karmon, *op. cit.*, 4. Ely Karmon maintains that the argument about Hezbollah's lack of interest in operations conducted on Israeli territory is false, as Hezbollah attempted a seaborne attack on 16 June 1991 against the Israeli town of Nahariya. Cf. Magnus Ranstorp's argument concerning the "Lebanonization" of Hezbollah on pp. 17–18; note No. 11.

his deputy and Imad al-Alami, chairman of Hamas Interior Committee, representative of the organization in Syria and an important figure in activating the organization's military apparatus for carrying out attacks; Ahmed Jibril, the leader of the Popular Front for the Liberation of Palestine – General Command and Jihad Jibril [deceased since], his son; Maher Taher, PFLP spokesman, and other senior officials in the leadership of the organization. In addition, there are other senior leaders and activists of other terrorist organizations, also residing in Damascus, who do not appear on the State Department [list], such as Nayef Hawatmeh, the leader of the “Democratic Front” [for the Liberation of Palestine].<sup>63</sup>

The most notorious examples of Syrian-supported Palestinian rejectionist organizations are indubitably Ahmed Jibril's PFLP-GC, the PIJ and Hamas.<sup>64</sup> Notably, among the Syrian-backed Palestinian organizations lines between secular and religious motivations blur in the face of a common enemy and, probably more important, due to the ironfisted coordination of Damascus.

One especially sinister group to emerge out of the al-Aqsa Intifadah, however, is the direct result of Iranian-Syrian collusion that has been reified by their crony, Hezbollah: The Return Brigades (Kata'ab al-Awda) are the product of recruiting efforts undertaken by Hezbollah operatives, elements of the PA and the IRGC in the West Bank and the Gaza Strip, and of training opportunities provided for by the Iranians in Iran under the guise of humanitarian aid efforts. For example, Hezbollah managed to recruit four members of the Fatah military wing, the Tanzim, and train them in the summer of 2002. According to Matt Levitt, a former FBI counter-terrorism analyst, collusion between Iran and members of the Palestinian Authority has reached alarming levels. This novel cooperation between sponsors and perpetrators of terrorist activities threatens to thoroughly discredit Palestinian credibility at the Israeli-Palestinian negotiating table. His information is worth quoting at some length:

Lebanon-based operatives from Iran's Islamic Revolutionary Guard Corps (IRGC) and Hizballah have built... a network of rogue Fatah Tanzim cells to serve as Hizballah's West Bank cadres... Under the direct oversight of a senior IRGC official, the brigades were to recruit Palestinians who were opposed to PA negotiations with Israel and who

63 Erlich, *op. cit.*, pp. 4–5.

would embrace Tehran's stance of attacking Israel and opposing peace... Intended to be compartmentalized from each other, the military wing was tasked with conducting terror attacks, while the political wing would 'infiltrate representatives into the PA and the Palestinian security mechanisms' to take over 'when and if the current Fatah infrastructure collapses.'<sup>65</sup>

Concerning the Return Brigades, what is especially disquieting is the confession obtained during the debriefing of one suspect arrested by the IDF in October 2002, who attested that his handlers were senior Fatah functionaries resident in Amman; and that they were not only answerable to the IRGC, but to a prominent member of the Fatah Central Committee and to the head of the PLO Political Department.<sup>66</sup>

Although the ongoing recruiting and instrumentalizing of rogue elements and the connivance and even open collaboration of the Palestinian nationalist security services does cast a shadow over the future ability of the PLO and its successor, the Palestinian Authority (PA), to act as the Palestinian plenipotentiary, it is the several attempts by members of the PA (or individuals in the employ of the PA and with traceable links with the PA's multiple security services) to smuggle contraband in clear contravention to the terms of the bilateral agreement on diplomatic and political engagement with the Israeli government, which derailed the Peace Process that had slowly but surely become all but untenable. The substance of the contraband discussed in the cases below consisted of light weapons and heavy ordnance. The incidents involving the vessels "Calypso-2," (2001) "Santorini," (2001) the "Karine-A" (2002) and the "Abu Hassan" (2003) have not only implicated the PA on the highest levels but also indicted the PA of assisting militant elements in Palestinian soci-

64 Gary C. Gambill, "Sponsoring Terrorism: Syria and the PFLP-GC," *Middle East Intelligence Bulletin*, Vol. 4, No. 9 (February 2002) at [www.meib.org/articles/0209\\_S1.htm](http://www.meib.org/articles/0209_S1.htm) accessed on 12 June 2003; Gambill, "Syria and Hamas," *op. cit.*; Matthew Levitt, "Syria and Islamic Jihad," *op. cit.*

65 Matthew Levitt, "Hizballah's West Bank Foothold," *Peacewatch*, No. 429, The Washington Institute for Near East Policy (20 August 2003) at [www.washingtoninstitute.org/watch/Peacewatch/peacewatch2003/429.htm](http://www.washingtoninstitute.org/watch/Peacewatch/peacewatch2003/429.htm) accessed on 4 November 2003.

66 Ibid.

ety. The arms smuggling affairs explicitly and irrefutably revealed the conspiratorial nature, extent, sophistication and joint involvement of the PA, Syria, Iran – and even of Saudi Arabia – and its Palestinian and Shi'ite clients, as well as those sub-contractors acting under the aegis of the conservative clerical establishment in Tehran.

The scene to these incidents was set across the border, in Lebanon. After twenty years of adherence, Israeli forces reneged upon the “red lines” established with Syria in Lebanon – not to strike directly at Syrian forces – in response to an Hezbollah attack in April 2001 that killed one IDF member: Israeli Air Force planes attacked a Syrian position in the mountainous Dahr al-Baidar region on the dawn of the 15<sup>th</sup>. Characteristically, the Syrian response was to eschew direct retaliation. Instead, the Syrians tasked Ahmed Jibril's PFLP-GC with the procurement and clandestine transfer of a massive, 40-tons weapons shipment, including launchers for rocket propelled grenades, anti-tank grenades, anti-aircraft missiles, two types of mines, Hungarian manufactured Kalashnikov assault rifles and considerable quantities of ammunition, to the Palestinian territories by sea.<sup>67</sup> Moreover, Hezbollah was given leave to attack Israeli positions near the disputed Sheba Farms area in the Golan; a restaurant in the Golan environs also became the site of an attack with remote-detonated bombs.

On 7 May 2001, the IDF announced the capture of a ship sailing off the Israeli coast during a routine patrol. Officialdom in Israel declined to comment on the source of the discovered contraband. And although “it is not clear if the weapons were bound for the Palestinian Authority or for other Palestinian military organizations... [t]he aim was apparently to drop the barrels into the sea at a designated point off the Gaza coast, where the Palestinians would retrieve them.”<sup>68</sup> The case of the vessel “Santorini” (formerly the “Abd Al-Hadi”) is illustrative of the number of successful contraband shipments, and therefore of the difficulties of interdicting illicit arms trafficking in Israeli waters, or on the high seas. Background infor-

67 Ziad K. Adbelnour, “Syrian Provocations Go Unanswered,” *Middle East Intelligence Bulletin*, Vol. 3, No. 5 (May 2001) at [www.meib.org/articles/0105\\_s1.htm](http://www.meib.org/articles/0105_s1.htm) accessed on 12 June 2003; Ellis Schuman, “Gaza-bound Weapons Arsenal Seized by Israeli Navy,” 9 May 2001 at [www.israelinsider.com/channels/security/articles/sec\\_0041.htm](http://www.israelinsider.com/channels/security/articles/sec_0041.htm) accessed on 23 June 2003.

68 Schuman, *op. cit.*

mation concerning the origin, dispatcher and intended recipient of the “Santorini’s” shipment was not long in waiting. According to one report, the vessel was acquired for the PFLP-GC on a small island off the Syrian coast; it was even registered as a Syrian vessel. The arms were smuggled from Damascus to Beirut by bus and loaded on board the “Santorini” in the Lebanese port of Tripoli.<sup>69</sup>

On 10 May, a report published by the International Policy Institute for Counter-Terrorism (ICT) quoted Ahmed Jibril, who, according to the French Press Agency (AFP), stated that “[t]his cargo that we sent will not be the last,” and that the intercepted shipment was intended to serve towards creating “a sort of balance of terror between us and the enemy.”<sup>70</sup> Members of the “Santorini’s” crew confirmed that the cargo had been commissioned by Jibril’s PFLP-GC and that this had been the fourth arms run – that on three prior occasions involving the “Santorini” and another boat named the “Calypso-2” they had successfully dumped “barrels full of arms into the water at a prearranged point near the coast of Gaza, whereupon the Palestinian security services would send out boats to retrieve them.”<sup>71</sup> The three prior runs occurred in November 2000, and two in April 2001; the PFLP-GC was responsible for the first shipment, and the Hezbollah for the two subsequent ones.<sup>72</sup> The upshot of the “Santorini” incident was that in the wake of the “Karine-A” affair, Adel Mughrabi, the PA’s weapons acquisitions officer, was directly implicated by the IDF as having acted as the PA’s go-between.<sup>73</sup>

69 Mitchell Ginsburg, “Santorini Arms Ship Completed Three Smuggling Trips Before Israel Intercepted It,” *The Jerusalem Report*, 18 November 2002 at [www.jrep.com/Reporter/Article -8.html](http://www.jrep.com/Reporter/Article -8.html) accessed on 15 April 2003.

70 “Ahmed Jibril Vows Further Arms Shipments to Palestinians,” *International Policy Institute for Counter-Terrorism*, 10 May 2001 at [www.ict.org.il/spotlight/det.cfm?id=606](http://www.ict.org.il/spotlight/det.cfm?id=606) accessed on 23 June 2003.

71 Ibid.; Ginsburg, *op. cit.*; Michael Rubin, “No Change. Iran Remains Committed to Israel’s Destruction,” *National Review Online*, 1 July 2002 at [www.nationalreview.com/script/printpage.asp?ref=/comment/comment-rubin070102.asp](http://www.nationalreview.com/script/printpage.asp?ref=/comment/comment-rubin070102.asp) accessed on 9 December 2003; cf. item No. 64 in “Training and Infrastructure for Palestinian Terrorists in Syria and Lebanon,” Israeli Report at [www.intelligence.org.il/eng/bu/aug/aug5.doc](http://www.intelligence.org.il/eng/bu/aug/aug5.doc) accessed on 9 December 2003.

72 Cf. item 64 in “Training and Infrastructure for Palestinian Terrorists in Syria and Lebanon,” *op. cit.*

73 “A Briefing held at Eilat Port after the Seizure of the Palestinian Weapons Ship,” IDF Spokesperson’s Unit, 6 January 2002 at [www.idf.il/english/news/briefing060102](http://www.idf.il/english/news/briefing060102) accessed on 26 June 2003.

Only seven months after the uproar over the “Santorini” had died down, the “Karine-A” affair shattered the international communities’ confidence in chairman Arafat and the PA. For three months, Israeli intelligence with support from the U.S. Central Intelligence Agency (CIA) had carefully followed the motions of the PA-owned and captained “Karine-A” in the context of a major intelligence operation dubbed “Milk and Honey.”<sup>74</sup> In the early hours of 3 January 2002, operation “Noah’s Ark” was set in motion: Airborne and seaborne Israeli commandos seized the ship in international waters, 500 kilometers off Israeli shores between Saudi Arabia and the Sudan. The yield of “Noah’s Arc” went beyond the most audacious forecasts of U.S. and Israeli analysts. The “Karine A” carried some 50 to 80 tons of light arms, anti-tank rocket propelled grenades and mines, mortars and ammunition, fragmentation grenades, sniper rifles and sophisticated optics (long range sights) and short range ballistic missiles of the Soviet “Katyusha” type with ranges of 8 to 20 kilometers. Last but not least, several hundred kilos of TNT and 3,000 pounds of military grade C4 plastic explosive – the preferred explosive of suicide attackers – were found aboard the “Karine-A.”<sup>75</sup>

Despite attempts to exonerate chairman Arafat, the evidence implicating him and his accessories in the PA was overwhelming.<sup>76</sup>

74 Tracy Wilkinson, “Israel Seizes Arms Allegedly Being Shipped to Palestinians,” *L.A. Times*, 5 January 2002 at <http://latimes.com/news/nationworld/world/la-000001045jan05.story> accessed on 15 April 2003; Robert Satloff, “The Peace Process at Sea: The Karine-A Affair and the War on Terrorism,” *The National Interest* (Spring 2002), Internet edition posted on 21 January 2003 at [www.nationalinterest.org/ME2/Segments/Articles/Template1/Common/print.asp?](http://www.nationalinterest.org/ME2/Segments/Articles/Template1/Common/print.asp?) accessed on 26 June 2003.

75 Oleg Granovsky, “Weapons Found on ‘Karine-A’ and ‘Santorini,’” transl. by Noam Primak, *War Online* at [http://www.waronline.org/en/analysis/pal\\_weapons.htm](http://www.waronline.org/en/analysis/pal_weapons.htm) accessed on 23 June 2003.

76 Mr Brian Whitaker of the British daily *The Guardian* was quick to call the Israeli-US intercept of the “Karine-A” into question, accusing Israeli authorities of, if not directly engineering the event, capitalizing upon the “Karine-A” affair, and of using the circumstance of having caught the PA in flagranti as a means to overthrow Yassir Arafat. The findings of the investigation – not least the incontrovertible proof of the cargo itself, the crew of the ship and the personal implication of high ranking PA military – do not support the view held by Mr Whitaker. Brian Whitaker, “Voyage of the Arms Ship,” *The Guardian*, 14 January 2002 at [www.guardian.co.uk/Print/0,3858,4335079,00.html](http://www.guardian.co.uk/Print/0,3858,4335079,00.html) accessed on 18 July 2003; Ibid., “The Strange Affair of Karine A,” *The Guardian*, 21 January 2002 at [www.guardian.co.uk/Print/0,3858,4339656,00.html](http://www.guardian.co.uk/Print/0,3858,4339656,00.html) accessed on 18 July 2003.



The PA's involvement in the "Karine-A" affair is glaringly obvious; a number of incriminating elements leading to the "Karine-A's" journey add up to a comprehensive indictment of the PA. To begin with, the head of the PA's weapons acquisitions office, Adel Mughrabi, had purchased the 4,000-ton freighter "Karine-A" (formerly the "Rim K") for the sum of \$400,000 in October 2000, the month that marked the beginning of the al-Aqsa Intifadah. Arafat's near confidante, Fouad Shobaki, a Brigadier-General in the PA military hierarchy, provided for the funds. The "Karine-A's" captain, arrested by the Israelis during the raid on 3 January 2002, was Colonel Omar Akawi, whose occupation was that of a commissioned officer in the PA Naval Police. Notably, the investigation revealed that the "Karine-A" was an Iranian-Palestinian joint venture, supported by Hezbollah at the behest of Teheran. In this regard, the activities of Lieutenant-Colonel Masoud Iyyad of Arafat's bodyguard, the "Force 17," who had been cultivating the link with Hezbollah and was promoting their foothold in the Gaza Strip by the early months of 2001, strongly suggests Iranian collusion at an early stage of the plot.<sup>77</sup> Following its purchase, the "Karine-A" was dispatched to the Sudan; necessary repairs were accomplished in the Yemenite port of Hodeida; it proceeded to Aden, from where the ship made its way to the island of Kish, off the Iranian coast.

At Kish, "Karine-A" was loaded with eighty crates of weapons, by agents, and under the supervision, of Imad Mugniyah, Hezbollah's foreign operations commander – and a former member of Arafat's "Force 17." Here we need to recall that Imad Mugniyah is the man held responsible for the devastating attack on the U.S. Marines contingent of the Multinational Force (MNF) in 1983, killing 241 Marines and 58 French paratroopers; the murder of the CIA's station chief in Beirut, William Buckley (1984); for the attacks against the Israeli embassy (1992) and the Jewish community center in Argenti-

77 "The PLO Weapons Ship from Iran," *Jerusalem Center for Public Affairs*, Jerusalem Issue Brief, Vol. 1, No. 15, 7 January 2002 at [www.jcpa.org/art/biref1-15.htm](http://www.jcpa.org/art/biref1-15.htm) accessed on 15 April 2003.

na (1994).<sup>78</sup> Hezbollah had sent their highest-ranking and most notorious field commander to Iran in order to personally arrange for the dispatch of the contraband through his associates. This circumstance is highly suggestive of the importance Hezbollah, and by extension, Hezbollah's Iranian masters, attributed to the mission of the "Karine-A." On 12 December 2001, the "Karine-A" lifted anchor and set out for the port of Dubai, from where it made the journey around the Arab peninsula. It was intercepted on its way to the Suez Canal, after which the "Karine-A" was apparently scheduled to rendezvous with three smaller vessels in order to distribute its cargo. Once transferred to the three boats, the arms consignment was to be transported to the coast of Gaza and dumped overboard in watertight containers – to be picked up by co-conspirators apprised of the operation.

Reactions by the parties involved and by the international community at large were varied. When IDF chief of the general staff, Lieutenant-General Shaul Mofaz, announced the capture of the "Karine-A" and its crew, on 4 January, he openly accused the PA and Iran of complicity.<sup>79</sup> At a briefing in Eilat, Mofaz also implicated Adel Mughrabi, known because of his involvement in the "Santorini" incident, Fathi Gazem, the deputy commander of the Palestinian Naval Police and, of course, Omar Achawi, the head of the shipping administration of the PA, who captained the "Karine-A."<sup>80</sup> Despite the massive amount of signals intelligence collected on the "Karine-A's" jaunt to and from Kish, Ali Samkhani, the Iranian defense minister denied having any knowledge of the "Karine-A" and, more generally, any involvement in the affair.<sup>81</sup> In a similar vein, albeit in a more incriminating manner, Hezbollah's official statement did as much as divulge this group's central role, observing that what "is surprising is that the

78 Isabel Kershner, "The Changing Colors of Imad Mughniyah," *The Jerusalem Report Magazine*, 25 March 2002 at [www.jrep.com/Mideast/Article-2.html](http://www.jrep.com/Mideast/Article-2.html) accessed on 8 November 2002. Rolf Tophoven, "Mann ohne Gesicht: Topterrorist Imad Fayez Mugniyeh," *Die Welt*, 9 September 2002; Kenneth R. Timmerman, "Lebanese Madman Leaves Trail of Terror" at <http://www.vfw.org/magazine/apro2/hezbollah.htm> accessed on 8 November 2002.

79 "Briefing by Chief of the IDF General Staff... Following the Seizure of a Palestinian Weapons Ship," IDF Spokesperson's Unit, 4 January 2002 at [www.idf.il/english/news/briefing040102.stm](http://www.idf.il/english/news/briefing040102.stm) accessed on 26 June 2003.

80 "A Briefing held at Eilat Port after the Seizure of the Palestinian Weapons Ship," *op. cit.*

81 Satloff, *op. cit.*, p. 2.

U.S. administration provoked such a fuss over the arms ship while it provides unlimited military support to... Israel.”<sup>82</sup> A delegation of the Israeli military intelligence service presented “incontrovertible evidence” to the U.S. President on Iran’s collusion at the highest level: Supreme leader Ayatollah Ali Khamene’i was very much aware of the „Karine-A” mission, as the elite al-Qods Brigade of the Pasdaran, which is directly answerable to the Supreme Leader, had reportedly played a key role in the plot. “The Israeli team presented hard evidence that this was a joint operation between the Qods Brigade commander and the Palestinian Authority...”<sup>83</sup>

U.S. reactions were mixed, too. The seizure of the vessel in the Red Sea prompted an incredulous Secretary of State to complain directly to Arafat; the enormity of its cargo’s potential to wreak destruction in the region staggered President Bush, who was at that stage reluctant to link the affair directly to Arafat for fear of the repercussions to such an implication; while U.S. special envoy General Anthony Zinni “insisted on an explanation from Mr Arafat during a meeting with the Palestinian leader...”<sup>84</sup> Secretary of State Colin Powell, who had at first refrained from linking the “Karine-A” affair directly to Arafat on April 21 rephrased his position: “What we have said is that we believe that knowledge of that shipment extended rather high into the Palestinian Authority... Chairman Arafat gave us a letter some time ago accepting responsibility on behalf of the Palestinian Authority for that shipment.”<sup>85</sup> Even though the PA had several of its own members arrested in connection with the shipment of contraband, it was evident that such arrests as were made, were the result of intense U.S. and Israeli pressure, and were helped along by the in flagranti

82 Ibid., p. 2.

83 Timmerman, “Iranian Government Involved ‘At The Highest Level,’ Israelis Say,” *op. cit.*

84 U.S. Department of State, “Seized Weapons Ship Linked to Palestinian Authority,” 10 January 2002 at <http://usinfo.state.gov/regional/nea/summit/text/0110ship.htm> accessed on 15 April 2003; Jonathan Marcus, “Analysis: The CIA and the Arms Ship,” *BBC News*, 15 January 2002 at [http://news.bbc.co.uk/1/hi/world/middle\\_east/1761836.stm](http://news.bbc.co.uk/1/hi/world/middle_east/1761836.stm) accessed on 15 April 2002; Graham Usher, “Israel Halts Palestinian Ship,” *The Guardian*, 5 January 2002 at [www.guardian.co.uk/international/story/0,3604,627978,00.html](http://www.guardian.co.uk/international/story/0,3604,627978,00.html) accessed on 18 July 2003.

85 U.S. Department of State, “Interview on CNN’s Late Edition,” 21 April 2002 at [www.state.gov/secretary/rm/2002/9605.htm](http://www.state.gov/secretary/rm/2002/9605.htm) accessed on 26 November 2003.

character of the “Karine-A’s” seizure.<sup>86</sup> The PA’s behavior during the weeks following the incident, introduced a sea change in U.S. policy in the Middle East. According to Robert Satloff

Arafat’s double-game performance throughout the Zinni mission infuriated the Bush Administration. But the piece de resistance was the Karine-A... The revelation of the Karine-A affair, with its strategic consequences for U.S. interests and those of America’s Arab and Israeli regional allies, triggered a fundamental re-assessment of U.S. policy. This process produced analytical consensus regarding Arafat’s unsavory character, his untrustworthiness, his collusion with Iran, and his lack of fitness to serve as a partner for peace.<sup>87</sup>

In the aftermath of the “Karine-A” affair, the credibility of the Palestinian Authority was eroded. Especially, Yassir Arafat and his multiple “hats” (i.e. he currently is the incumbent of the presidency of the PA, of the chairmanship of the PLO and he is also the leader of Fatah) came under the close scrutiny of international observers. The collusion of state supporters in the shipping of contraband on board the “Santorini” and the “Karine-A,” among which weapons of strategic potential were identified, in the latter case exacerbated the erstwhile gun-running scandal and gave it the stature of a serious blow to the Peace Process in the Middle East with implications for U.S.-Israeli-Palestinian relations. However, the series of clandestine weapons transfers through the sea-lanes did not come to a close in early January 2002. Yet another shipment of arms organized by the Lebanese Hezbollah, and chaperoned by members of Fatah, was intercepted approximately three months after the “Karine-A’s” capture. Apparently, the weapons were supposed to better prepare the Palestinian territories in the face of an impending IDF operation.<sup>88</sup>

86 Rula Amin, “Arafat Orders Officials Detained in Arms Probe,” *CNN.com*, 11 January 2002 at <http://cnn.worldnews.printhis.clickability.com/pt/cpt?action=cpt&expire> accessed on 15 April 2003.

87 Satloff, *op. cit.*, p. 5.

88 According to the English language Internet edition of the Russian newspaper “Pravda,” Israeli navy sunk a fishing vessel between late April and early May 2002 off the Gaza coast, or if another source is to be trusted, off the Lebanese coast. Israeli military censors for fear of jeopardizing ongoing operations against the authors of the clandestine contraband shipments initially suppressed the story. “IDF Refuses Comment on Reported Sinking of Gaza-Bound Weapons Boat,”

The most recent incident of transferring arms to terrorist organizations occurred on Thursday, 22 May 2003: The “Abu Hassan” was intercepted between 40 and 90 miles off the Israeli coast. The Egyptian-registered vessel had traveled from Egypt to Lebanon on the first leg of a journey that was supposedly to end off the Gaza coast. Hamad Muslam Moussa Abu Amra, a known member of the Lebanese Hezbollah, was also captured on board the “Abu Hassan.” In contrast to earlier intercepts, one element of the impounded cargo, which included 25 fuses for Katyusha missiles, 15 electronic delay units, and other remote-detonation technology, was comprised of “36 instructional CD-ROMs that gave detailed explanations on aspects on how to prepare bombs, how to improve the effectiveness of a suicide bomb belt and just where a suicide bomber should stand on a bus to kill as many people as possible...”<sup>89</sup> Although Israeli authorities made clear that they could not determine whether the cargo of the “Abu Hassan” was destined for the PA, or for a Palestinian political violence movement, they did conclude that persons close to the PA were directly involved. Israeli foreign minister, Silvan Shalom accused two senior PA figures, Fathi Razam and Adal al-Mughrabi, of being responsible for the smuggling attempt. Al-Mughrabi had been heavily implicated in the “Karine-A” affair. In spite of strident denials by Hezbollah, “the seizure of the compact discs and of Abu Amra provides strong evidence of a link between the Hizbullah and the Palestinian Authority.”<sup>90</sup>

Establishing the culpability of the senior PA personnel in the context of the “Karine-A” affair proved comparatively easy; backtracking the multiple money trails to the financiers of the shipment presented something of a challenge. On the principal subject of this paper, it may be said that Iran was implicated by virtue of being the supplier of the “Karine-A” arms shipment; Syria, on a prior occasion, had been directly involved the case of the “Santorini,” not least

*On-line Pravda*, 13 May 2002 at <http://english.pravda.ru/hotspots/2002/05/13/28593.html> accessed on 23 June 2003.

89 Julie Stahl, “Israel Seizes Hizballah Weapons Shipment Heading for Gaza,” 23 May 2003 at <http://new.crosswalk.com/news/1201606.html?view=print> accessed on 23 June 2003.

90 “IDF Seizes Bomb Making Supply Ship Headed for Gaza,” *JINSA Online*, 26 May 2003 at [www.jinsa.org/articles/print.html/documentid/2045](http://www.jinsa.org/articles/print.html/documentid/2045) accessed on 23 June 2003.

through its adamant patronage of the PFLP-GC. Unexpectedly, however, it was Saudi Arabia that took the center stage of the investigation:

The financing of the Karine-A arms-smuggling ship destined for the Gaza Strip came from Saudi Arabia – a shocking discovery made, according to intelligence sources, by all three teams investigating the affair: American, Israeli and Palestinian. They established that Saudi sources put up the \$10 million paid over to Iran for the weapons cargo, the \$400, 000 purchasing price for the vessel and another \$1 million to cover miscellaneous expenses, such as hiring the crew, fuel, repairs and port charges... this new fact is disturbing evidence of the uncertain internal situation in Saudi Arabia, demonstrating for the first time the willingness of influential figures in the royal house and Saudi intelligence to go out on a limb and back the Palestinian-Hezbollah-Iran connection.<sup>91</sup>

The reputable German daily “Die Welt” further corroborated this report on 29 January 2002.<sup>92</sup> Conversely, Saudi funneling of funds into the Palestinian terror infrastructure should not come as a surprise, as the Saudi Ministry of the Interior has been funding Hamas – specifically families “of ‘martyrs’ who conducted ‘quality attacks’ against Israeli civilians.”<sup>93</sup>

Beyond its involvement in the “Karine-A” affair, Saudi Arabian sources – opinion leaders close to government and private individuals – reportedly fund up to 50% of Hamas’ operating budget in addition to official Saudi contributions sent to the PA in the range of between \$80 to \$100 million per annum.<sup>94</sup> According to the recently published research conducted by Dore Gold, Saudi Arabia directly

91 “Saudis Financed Terror Ship. Paid \$10 million to Iran for Arms Destined for Palestinian Intifada,” *DEBKA File*, 17 January 2002 at [www.worldnetdaily.com/news/article.asp?ARTICLE\\_ID=26100](http://www.worldnetdaily.com/news/article.asp?ARTICLE_ID=26100) accessed on 15 April 2003

92 Rolf Tophoven, “Geld für Waffenschiff der Palästinenser kommt vermutlich aus Saudi-Arabien,” *Die Welt*, 29 January 2002 at [www.welt.de/daten/2002/01/29/0129au310883.htm?print=1](http://www.welt.de/daten/2002/01/29/0129au310883.htm?print=1) accessed on 8 November 2002.

93 Matthew Levitt, “The Political Economy of Middle East Terrorism,” *Middle East Review of International Affairs*, Vol. 6, No. 4 (December, 2002), pp. 49–65, pp. 59–60.

94 “Saudi Donations Make Up Half of Hamas’ Budget,” *op.cit.*; Matthew Levitt, “The Political Economy of Middle East Terrorism,” *op. cit.*, p. 51.

finances the Izzeldin al-Kassam Brigades – Hamas’ so-called “military wing.”<sup>95</sup> In April 2002, United Press International’s Pentagon correspondent suggested that the Saudis had disbursed \$33 million to Palestinian families of casualties and fatalities of the al-Aqsa Intifadah and set aside another \$50 million for future payments. Controversially, “Saudi Arabia makes no distinction in compensation to families of suicide bombers and those killed by Israeli military action.”<sup>96</sup> The information on Saudi funding for Hamas that reached the U.S. Secretary of State came from no lesser personage than Yasir Arafat himself.<sup>97</sup>

Within the framework of the reviewed state support for political violence movements in the Middle East, the interrelationships between the individual states involved are not necessary equitable, for while Iran’s relations with its Saudi neighbor are at best tense, the Syrian government entertains cordial relations with Riyadh. In retrospect, it was after all the Saudis, who helped engineer the questionable, predominantly Syrian-staffed “Arab Peacekeeping Force” at the Arab League Summit after 1976 that has illegally occupied Lebanon, and whose machinations culminated in the Taif Accord of 1989, which made possible the ex post facto legitimization of a Syrian satrapy in Lebanon. The Saudi government’s financial injections into the Syrian-dominated Lebanese economy leave very little room to doubt that they serve first and foremost to perpetuate the Syrian presence in Lebanon. Focusing on the Saudi-Syrian bilateral relationship, Esam Sohail has concluded:

The evidence suggests that either directly, or in a circuitous manner, the Saudis have subsidized Syria’s continuation of two particular policies that have a direct bearing on terrorism: the occupation of Lebanon and the hosting of terror groups in Damascus. Added to that, [Crown] Prince Abdullah’s [the de facto ruler of Saudi Arabia] personal and political

95 Janine Zacharia, “Dore Gold: Saudi Provides Most of Hamas Funding,” *Jerusalem Post*, 15 July 2003 at [www.jpost.com/servlet/Satellite?pagename=Jpost/A/JPArticle/ShowFull&cid=1058240688098](http://www.jpost.com/servlet/Satellite?pagename=Jpost/A/JPArticle/ShowFull&cid=1058240688098) accessed on 3 December 2003. Cf. Dore Gold, *Hatred’s New Kingdom: How Saudi Arabia Supports the New Global Terrorism* (Washington D.C.: Regnery Publishing, 2003).

96 Hess, “Saudi Arabia Sets Aside \$50M for ‘Martyrs,’” *op.cit.*

97 “Bush Confronted Abdullah on Saudi Funding of Hamas,” *World Tribune com*, 26 April 2002 at [http://216.26.163.62./2002/me\\_saudis\\_04\\_26.26](http://216.26.163.62./2002/me_saudis_04_26.26) accessed on 3 December 2003.

Syrian connections have led to a troubling Syrian presence in the heart of the Arabian peninsula itself.<sup>98</sup>

But then, the Saudis are, unfortunately, not the only underwriters of political violence movements, or perpetrators of the conditions in which such groups continue to flourish in the Middle East. Of all the sources tapped to provide for groups engaging in terrorist tactics in this troubled region, those supplied inadvertently by well-wishing parties arguably represent the most controversial of all.

Even with a documented record of embezzlement and corruption, the probably worst malpractice of the PA is the diversion of international aid – specifically from EU donor funds – to the terror nexus in the West Bank and Gaza.<sup>99</sup> In a nutshell, “the biggest problem has been the cash budgetary support that the EU began providing the PA in June 2000.”<sup>100</sup> Indeed, there are serious questions about how

98 Esam Sohail, “The Syrian-Saudi Arabian Nexus,” *Middle East Intelligence Bulletin*, Vol. 5, No. 7 (July 2003) at [www.meib.org/articles/0307\\_s1.htm](http://www.meib.org/articles/0307_s1.htm) accessed on 18 August 2003.

99 Dr Ehrenfeld of the American Center for Democracy conducted an in-depth study on this subject. Cf. Rachel Ehrenfeld, “Where Does the Money Go? A Study of the Palestinian Authority,” American Center for Democracy (New York: 2002). An online version of the study is available at [www.intelligence.org.il/eng/bu/financing/articles/where/where.htm](http://www.intelligence.org.il/eng/bu/financing/articles/where/where.htm) accessed on 21 November 2003.

100 The EU’s ambivalent position on terrorism in the Middle East remains controversial. Cf. “EU Rejects Full Hamas Ban,” *BBC News*, 29 June 2003 at <http://news.bbc.co.uk/1/hi/world/europe/3026992.stm> accessed on 10 December 2003 and Joel Brinkler, “Bush Urges Europe To Cut Hamas Funds,” *International Herald Tribune*, print edition, 26 June 2003, pp. 1, 6. As Matthew Levitt has pointed out, the EU perpetuates its ambiguous stance on terrorism in the Middle East because it continues to “adopt the fallacy of drawing a distinction between the non-violent activities of terrorist groups and the terror attacks that they carry out. By distinguishing between the terrorist and welfare ‘wings’ of Hamas, for example, the EU lent legitimacy to the activities of charitable organizations that fund and facilitate terrorist groups’ activities and operations.” Levitt, “The Political Economy of Middle East Terrorism,” *op. cit.*, p. 60. As of this writing, the EU has come under pressure to ban Hamas as a whole and has, subsequent to diplomatic interventions mainly by the U.S. and Israel, followed suit. “EU Blacklists Hamas,” *Aljazeera.Net*, 6 September 2003 at <http://english.aljazeera.net/NR/exeres/554FAF3A-B267-B9EC-54881BDE0A2E.htm> accessed on 10 December 2003; Ian Black, “EU to Ban Hamas Political Wing,” *The Guardian*, 8 September 2003 at [www.guardian.co.uk/israel/Story/0,2763,1037314,00.html](http://www.guardian.co.uk/israel/Story/0,2763,1037314,00.html) accessed on 10 December 2003. For the inseparability of the Hamas “military” and “political” wings, cf. Matthew Levitt,



the PA uses this cash aid, amounting to 10 million Euros per month, which is not tied to specific humanitarian or development projects.”<sup>101</sup> PA management of EU funds has come under increasing fire in the recent past, as evidence strongly suggests the siphoning off of EU cash donations by official Palestinian parties (which often cannot be distinguished from the political violence movements) for terrorist activities resulting in dozens if not hundreds of deaths.

Shortly after the conclusion of operation “Defensive Shield,” Israeli authorities reportedly turned over a file to the EU Commission on Arafat’s involvement in terrorist activities funded by diverted international donations supplied by the EU and other parties.<sup>102</sup> An investigative article published in the German newspaper “Die Zeit” on 6 June 2002, which accused the EU of irresponsibly supplying money to the PA without instituting any financial safeguards or, for that matter, any viable control mechanisms, brought to the fore the deep divide between the EU perspective and that presented by this article’s authors.<sup>103</sup> It also sparked off a row between EU Commissioner for External Relations, Chris Patten, and his numerous critics in the European Parliament. By early February 2003, a group of 170 Members of the European Parliament (MEP) demanded an inquiry into Patten’s handling of the EU cash donations to the PA. Aside from the key Israeli accusation raised in its report to the EU that roughly 10% of the EU funding of the PA was being used for illegal purposes, the principal charges of the MEPs were “[t]he use of a part

“ Hamas’s Political Wing: Terror by Other Means,” *PeaceWatch*, No. 440 (6 January 2004), available shortly at <http://www.washingtoninstitute.org/watch/peacewatch/> received as Email from WINEP mailing list server on 6 January 2004. In contrast with Hamas, the EU has not yet banned the only political violence movement to rival the capabilities of al-Qaida, Hezbollah and all its subsidiaries, e.g. in Turkey and Saudi Arabia. Rubin, “No Change,” *op. cit.*

101 Matthew Levitt, “Accounting and Accountability: Defining Donor Requirements for Palestinian Reform,” *Policy Watch*, No. 638 (18 July 2002) at <http://www.washingtoninstitute.org/watch/policywatch/policywatch2002/638.htm> accessed on 21 November 2003.

102 Rachel Ehrenfeld and Sarah Zebaida, „Why Does The Commission Fear a PA Probe?,” *The Wall Street Journal*, 28 January 2003 at [www.intelligence.org.il/eng/bu/financing/articles/WhyDoesTheCommissionFearPA\\_Probe.htm](http://www.intelligence.org.il/eng/bu/financing/articles/WhyDoesTheCommissionFearPA_Probe.htm) accessed on 21 November 2003.

103 Thomas Kleine-Brockhoff and Bruno Schirra, “Arafat Bombt, Europa Zahlt,” *Die Zeit*, 6 June 2002 at [www.zeit.de/2002/24/Politik/print\\_200224\\_arafat\\_haupttext.html](http://www.zeit.de/2002/24/Politik/print_200224_arafat_haupttext.html) accessed on 26 June 2003.

of the Palestinian Authority's budget to reward the families of suicide bombers," and, moreover, that "EU funding has wrongly been used to finance school textbooks promoting hatred and inciting martyrdom."<sup>104</sup> The EU's anti-fraud office announced in early February that an investigation would take months; it is still not available at the time of this writing.<sup>105</sup> Moreover, Ilka Schröder MEP, one of the proponents of a commission of inquiry to investigate the uncontrolled disbursement of EU funds to the PA, has complained of obstructionism by Commissioner Patten. She has exposed a conspicuous lack of interest in investigating the allegations of PA misappropriation of EU funding for terrorist activities by the EU Commission (and with the connivance of some members of the European Parliament) with EU taxpayer money. Schröder charges that this policy of the EU Commission is connected to its pursuit of a covert rivalry with the U.S. for influence via a role in the Middle East peace process, in the context of which the EU acts as a PA partisan.<sup>106</sup>

When juxtaposed with a resounding rebuttal by Commissioner Patten, the conclusions and observations made in the "Zeit" article made a glaring contrast. According to the article's authors, Commissioner Patten in the face of overwhelming evidence to the contrary maintained that the "EU-Commission has no hard evidence, according to which EU funds have been used for the financing of terror or have been abused for any other means."<sup>107</sup> Patten also praised the EU's stringent control mechanisms for the donations to the PA. The International Monetary Fund (IMF) assumes responsibility for the financial flows from the EU to the PA. Karim Naschaschibi, a Jerusalem resident, files verification reports on the money transfers for the IMF. Naschischibi, who according to Patten is responsible for monitoring the flow of EU money on the Palestinian end, is himself

104 Ian Black, "Patten Faces Battle Over EU Funds for Palestinians," *The Guardian*, 5 February 2003 at <http://politics.guardian.co.uk/Print/0,3858,4598731,00.html> accessed on 26 June 2003.

105 "EU Probes Evidence its Aid to Palestinians Funded Terrorism," *World Tribune.com*, 7 February 2003 at [http://216.26.163.62/2003/eu\\_palestinians\\_02\\_07.html](http://216.26.163.62/2003/eu_palestinians_02_07.html) accessed on 26 February 2003.

106 Ilka Schröder, "Theodor Lessing Preis für Aufklärerisches Handeln: Rede von Ilka Schröder," 26 September 2003 at [www.hagalil.com/archiv/2003/09/schroeder-2.htm](http://www.hagalil.com/archiv/2003/09/schroeder-2.htm) accessed on 5 January 2004.

107 Kleine-Brockhoff and Bruno Schirra, *op. cit.*, p. 2. (My translation from the German original in this note and all subsequent quotations from this source).

a Palestinian and a member of the same family, as that of Arafat's finance minister with an identical name. The IMF's man in Jerusalem, Naschischibi was even considered for the job of Arafat's finance minister himself. What certainly aroused the suspicion of the Israelis was the circumstance of Naschischibi's intimacy with Fouad Shoubaki, Arafat's financial advisor. Shoubaki is nobody else than the individual responsible for the purchase of the "Karine-A."<sup>108</sup> Astonishingly, the IMF's own rendition of its task for the PA was that it simply does not have a mandate to audit the PA's budget; all it does is to support the budget's constitution.<sup>109</sup> Should the IMF's version of the story apply, then, as the two German authors of the "Zeit" article conclude, "the Palestinians have controlled themselves – in other words, not at all."<sup>110</sup>

Subsequent to operation "Defensive Shield," an IDF report was published on the Internet in March 2003 that largely corroborates earlier findings in other sources.<sup>111</sup> It shows that the PA engages in a double reporting system for the salary payment of its employees, thereby using only an estimated 55–65% of the allotted sum and creating an unaccounted for surplus of 35–45%, of approximately \$60 million set aside for PA salaries. Furthermore, the IDF report documents how the PA engages in large-scale exchange-rate fraud, thus creating an additional unaccounted for surplus of \$7.7 million per annum. According to the IDF report, the PA regularly deducts 1.5–2% from the salaries of various Palestinian security personnel as Fatah membership fees. "The implication is that the PA paid salaries to hundreds of Fatah personnel who engaged in terrorism... the PA financed dozens of Fatah branches in order to establish a broad infrastructure of field activists who in time became armed local militias. This was a calculated move, which took place many years before the confrontation with Israel."<sup>112</sup>

Appositely, the source of the IDF – PA documents captured during operation "Defensive Shield" – have caused many a reader to

108 Ibid., p. 5.

109 Ibid., p. 5; Ehrenfeld, *op. cit.*, p. 10.

110 Ibid., p. 5.

111 Israel Defense Forces, "International Aid to the Palestinian Authority Redirected to Terrorist Elements," TR2–317–02, 5 June 2002 at <http://www.intelligence.org.il/eng/bu/financing/pdfs/09.pdf> accessed on 26 June 2003. Rachel Ehrenfeld, *op. cit.*, p. 10.

112 Ibid., pp. 2–4.

critically question their authenticity and to question the soundness of Israeli conclusions based on the study of the impounded documentary evidence. The German intelligence service, the “Bundesnachrichtendienst” (BND), has authenticated the documents alongside U.S. intelligence agencies, and reached conclusions compatible with those of the Israeli investigation. And although the second BND verification report designated “39C-04/2/02” states that no “direct evidence” can be found for the financing of terror with EU cash donations, it also states in no uncertain terms “that Arafat does not distinguish between the structure of the PA regime and his Fatah movement.” Significantly, and despite the traditional tension between Tanzim leader Marwan Barghouti and Yassir Arafat (Barghouti is an “insider” from the Palestinian territories, while Arafat returned from the “outside” exile in Tunis), we need to remind ourselves of the constitutive character of the Al-Aqsa Martyrs’ Brigades/Tanzim relative to Fatah. Reportedly, the BND therefore concluded that the misappropriation of donor funds could not be excluded.<sup>113</sup> Even an NGO decidedly critical of operation “Defensive Shield,” such as Human Rights Watch, in its report on the subject found that “[t]he al Aqsa Martyrs Brigades appear to have benefited from the routine misuse of PA funds.”<sup>114</sup> In the interim, an investigative endeavor by the British Broadcast Corporation (BBC) has established the integral membership of the Al-Aqsa Martyrs’ Brigades in Fatah. According to the BBC’s interview with a Fatah leader in Jenin, “the al-Aqsa group is the military wing of his organization and that Mr Arafat is the overall leader of both the political and military arms.”<sup>115</sup>

At about the same time, a team of U.S. accountants hired by the PA that has been investigating Arafat’s personal financial assets has revealed to CBS’s reputable investigative program *60 Minutes* that “part of the Palestinian leader’s wealth was in a secret portfolio worth close to \$1 billion,” and that “although the money for the portfolio

113 Kleine-Brockhoff and Bruno Schirra, *op. cit.*, p. 7; Ehrenfeld and Zebaida, *op. cit.*

114 Human Rights Watch, “Erased in a Moment: Suicide Bombing Attacks Against Israeli Civilians,” October 2002 at <http://www.hrw.org/reports/2002/isrl-pa/> accessed on 3 December 2003. Cf. chapters II and VI of the report entitled “Recommendations” and “Financial and Logistical Report,” respectively. This quote is also rendered in Ehrenfeld and Zebaida, *op. cit.*

115 “Palestinian Authority Funds Go To Militants,” *BBC News*, 7 November 2003 at [http://newsvote.bbc.co.uk/mpapps/pagetools/print/news.bbc.co.uk/1/hi/world/middle\\_east/3243071.stm](http://newsvote.bbc.co.uk/mpapps/pagetools/print/news.bbc.co.uk/1/hi/world/middle_east/3243071.stm) accessed on 5 December 2003.

came from public funds like Palestinian taxes, virtually none of it was used for the Palestinian people.”<sup>116</sup> Adding insult to injury relative to the misappropriation of inadvertent donor funds, *60 Minutes* revealed “Arafat accumulated another \$ 1billion with the help of – of all people – the Israelis. Under the Oslo Accords, it was agreed that Israel would collect sales taxes on goods purchased by Palestinians and transfer those funds to the Palestinian treasury.” But according to Martin Indyk, an advisor on Middle Eastern affairs in the Clinton administration, “that money is transferred to Yasser Arafat to, amongst other places, bank accounts which he maintains off-line in Israel.”<sup>117</sup>

In conclusion, it stands to reason that PA involvement at a senior official level in the matter of recruiting militants, as well as in the areas of arms smuggling and the backdoor financing of terrorism with donor funds discussed above, allows for at least one out of two conclusions. First, dissent, internecine power struggles and covert opposition manifesting as sabotage hopelessly wrack the Palestinian nationalist leadership and its security services, in which case its current capacity to credibly conduct negotiations with the Israeli government must be questioned. As a matter of course, the PA’s utility – absent an alternative – should still remain subject to international scrutiny. Second, and still more pessimistic, the top echelons of Palestinian nationalist organizations around chairman Arafat have no interest in concluding a peace with Israel, but rather aim for a settlement without the Jewish state. In such an event, their repeated assertions of peaceful intention and willingness to find a political solution would then be just so much talk.

In the final analysis, either one of the two alternative perspectives opens up the vista of the long-term involvement of state-supported terrorism and the concomitant instrumentalization of Palestinian militants in PA territories (with or without the PA’s license), and in the Palestinian refugee camps in the contiguous and near Arab states. Finally, the recently burgeoning Jihadist brand of Palestinian rejectionism (e.g. Hamas/Izzeldin al-Kassam Brigades, the Hezbollah-supported Return Brigades and PIJ), may well presage a comeback of Palestinian political violence in the international arena in the guise

116 “Arafat’s Billions,” *CBS News*, 9 November 2003 at [www.cbsnews.com/stories/2003/11/07/60minutes/printable582487.shtml](http://www.cbsnews.com/stories/2003/11/07/60minutes/printable582487.shtml) accessed on 5 December 2003.

117 *Ibid. op. cit.*

of a constituent element within a broader Islamist coalition, such as Usama bin Laden's supra-organizational "World Islamic Front for Jihad Against the Jews and the Crusaders" that encompasses even al-Qaida. Should this prospect prove attractive to Palestinian Jihadist groups, and if it is viewed against the track record of fundamentally undemocratic Middle Eastern states as generators of regional instability – even if measured against the yardstick of their current domestic and foreign policy –, both Iran and Syria may be expected to facilitate activities conducive to a disruption of a final Israeli-Palestinian settlement. For the time being, Palestinian militants operating out of the refugee camps in Lebanon, or within the Palestinian territories adjacent to Israel; and the Shi'ite guerrillas of the Beqaa, southern Lebanon and West Beirut all continue to be at the heart of a tragedy: Tied as it is to the objective of Israel's destruction, the support for the Palestinians' and the Lebanese Shi'ites' causes from outside sources comes with strings attached that have become a hopelessly tangled skein.