



The Future of Iran's Security Policy



INSIDE TEHRAN'S STRATEGIC THINKING

J. Matthew McInnis

MAY 2017

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Introduction

When the Syrian opposition stronghold of Aleppo fell in late 2016, Iran was the central player in a coalition that dropped barrel bombs on marketplaces, targeted aid workers, besieged the city, and killed more than 31,000 civilians. The Islamic Republic of Iran's (IRI) major role in the battle, which at one point supported 25,000 affiliated troops and militias on the ground, was more significant than even the Syrian Army presence. But how and why is Iran willing and able to expend vast resources in Syria when opposition forces do not directly threaten the Iranian homeland? If Washington had better understood Tehran's capacity for expeditionary warfare and degree of commitment to Damascus sooner, it would have gained the tools to craft much wiser policy in the conflict.

Syria is just one example in which greater insight into Iran's security decision-making—how Tehran approaches the use of force, deterrence, proportionality, and escalation calculus, as well as how the leadership thinks about strategy, doctrine, and military capabilities—will determine successful US policy in the Middle East. Policymakers unfortunately face an endemic shortage of academic work on the nature of IRI's security decision-making, especially in comparison to similar efforts on competitors such as China and Russia. Insight into these topics is essential to answer questions about Iranian behavior throughout the region.

With that in mind, the need for better analysis of Iranian hard power—both conventional and unconventional—is arguably more important today than ever before in light of the Joint Comprehensive Plan of Action (JCPOA) and growing Iranian influence across the region. An Islamic Republic freed from onerous sanctions pours even more resources into its operations in the Levant and elsewhere. If the United States hopes to roll back Iranian influence around the world, knowledge of Iran's security decision-making calculus

would be essential to contain escalation, blunt Iran's offensive actions, and decisively achieve US objectives. Simply put, the US needs a better understanding of how Iran fights and prepares for war.

This monograph attempts to answer those questions. Rather than supplying definitive formulas or “playbooks” for Iranian behavior, which would be impossible from a US standpoint, this work provides a series of analytic frameworks and tools for policymakers to appropriately interpret the IRI's decision-making. It draws on historical case studies since the 1979 Islamic Revolution (focusing on the 1980–88 Iran-Iraq War, the US-Iran Tanker conflicts, the Iraq War from 2003 to 2011, and the ongoing Syrian civil war), a post-JCPOA failure crisis simulation exercise, extensive analysis of senior Iranian leadership statements and writings, military exercise observation, and economic assessments. Particular attention is paid to areas that will be of most interest to US military and security officials.

This monograph begins with an exploration of Iran's strategic culture. For the purposes of this monograph, the concept of strategic culture can best be described as the worldview and decision-making patterns of a state's political and military leadership. Understanding how historical legacies, geographical realities, religious and ideological tenets, and national interests shape the Islamic Republic's threat perceptions illuminates the drivers of the IRI's security behavior.

Iran's strategic culture is inextricably tied to how the Islamic Republic sees the role of military force in its strategic calculus. This monograph examines a core paradox in Iran's strategic behavior that tends to confound policymakers across the political spectrum. Iran's weak traditional armed forces and revolutionary ideologies make its conventional doctrines overwhelmingly defensive. These drivers also push Iran to pursue its more aggressive, and ultimately revisionist,

foreign policies through unconventional means such as proxy forces and asymmetric fighting doctrines.

However, Iran's military capabilities and perceptions of major threats appear to be on the precipice of a major shift. In thinking through a post-JCPOA world—with loosened arms embargoes and realigned political realities—the United States needs to consider how and why Iran would use military force. This will be a major theme of this monograph.

Section II attempts to answer some essential questions about how the Islamic Republic views the nature of war. We will address why Iran decides to use military force, how it understands deterrence against the US, why it decides to escalate or de-escalate a conflict, how Iran understands retaliation and reciprocity, and in what context it will attempt to end a conflict. The answers to these questions are partly based on the findings drawn from an expert-level crisis simulation of a confrontation between the United States and Iran and from case studies of major Iranian military actions since the Iran-Iraq War.

Section III attempts to build an analytic framework for examining Iran's war-fighting concepts. It explores doctrine at the strategic level—that is, how a state's military power is designed and employed to achieve its security objectives, rather than operational or tactical levels of conflict. It will lay out how formal and informal structures in Iran create strategy and doctrine, which institutions or individuals matter in shaping doctrinal ideas, and which historical and ideological factors drive Iran's thinking about military power. This model conceptualizes the nature of Iran's defensive and offensive doctrines and aims to explain how and why Iranian strategy and force posture may evolve as restrictions on resources and how and why conventional weapons acquisition relax under the JCPOA. Understanding how the Iranian leadership looks at military power and strategy is crucial for designing better US force posture in the region, improving security cooperation with our allies, and communicating more

effective responses to Tehran's behavior in the Middle East and globally.

Section IV of this monograph discusses if and how Iran will pursue structural changes for its military force after the nuclear deal. If Iran is going to place a much greater emphasis on conventional offensive weapons than it has in the past, then this will likely require greater resources or a different allocation of resources than Iran traditionally allocates its military. Since unconventional forces dominate Tehran's military historically, its industrial base is not optimized for constructing, equipping, and deploying a large conventional force. The JCPOA does provide new financial means and, eventually, access to additional military weapons and technology that may allow Iran to undergo a real military transformation.

This section also examines how Iran makes decisions about military procurement and production. It addresses ways to understand Iranian defense spending, Iran's current and future military budget trends, the strengths and weaknesses of Iran's military industrial base, Tehran's likely paths to modernize its military, and most importantly, the drivers of Iran's decision-making on weapons and acquisitions. A technical understanding, for example, of the types of platforms Iran procures from foreign powers versus the systems Tehran attempts to build at home will offer the Western observer insight into the regime's long-range thinking and capacities.

The US spent the past four decades often befuddled by Iran's security policies. As a result, Tehran operates with relative freedom and impunity across the region. But there are no "mad mullahs" in Tehran. The Iranian leadership can be considered "logical" if its decision-making patterns and worldview are well understood (as much as we oppose that worldview). Western policymakers' failure to understand this is the primary source of poor US strategy in the region since 1979. Hopefully, this monograph will lift the shroud on Iranian strategic thinking and guide better paths to a more stable Middle East.

Section I

Iran's Strategic Thinking: Origins and Evolution

Introduction

Understanding Iran's strategic calculus has long frustrated Western analysts. What drives a state like the Islamic Republic to go to war? When does a state sue for peace? What shapes a government's decision to prioritize investment in ballistic missiles over fixed-wing air power? Why would a navy prefer to fight with small vessels in swarms? Why would a state build proxy forces to fight in conflicts that pose an existential threat rather than directly intervene? Why would the most important mission of a nation's ground forces be controlling their own population rather than fighting and winning wars against foreign enemies? Why would a state pursue nuclear weapons, and how would it employ such weapons if it acquired them?

Answering these questions begins with knowing strategic culture. The concept of strategic culture, though, is not easily defined in political science. It can be best described as the worldview and policymaking patterns of a state's political and military leadership.¹ A strong grasp of the historical legacies, shared beliefs, modes of decision-making, and threat perceptions that shape the national leadership's strategic thinking will give powerful insight into the state's security behavior.

Comprehending Iran's strategic culture poses unique challenges to analysts and policymakers for two reasons.² First, there is no defined Persian literary canon through which the contemporary Islamic Republic's military strategy can be understood. Like China, Iran's civil and military history extends more than two and a half millennia. In Chinese culture, the study of war as a philosophic discipline is most famously represented by Sun Tzu.³ Persian history has no clear analogue. Students of modern European, American, or Russian-Soviet military strategy will also struggle to find Persian equivalents of Machiavelli, Clausewitz, Mahan, or Ogarikov.

Second, although scholars of Russian and Chinese

strategic studies are spread across academic institutions, government, and think tanks, scholars in Western universities rarely focus on Iranian strategic studies.⁴ Instead, almost all Iran specialists in the academy focus their research on Persian politics, history, archeology, culture, or poetry.⁵ The few experts in the field of Iranian strategic studies reside inside government, think tanks, or similar institutions.⁶ Iran's relative isolation from the world since 1979 only adds to researchers' difficulties.

However, the Iranian leadership's strategic thinking is arguably predictable, despite these handicaps. This section examines how historical experience and enduring national interests, religious and political ideology, formal and informal decision-making dynamics, and changing threat perception help illuminate the drivers of Tehran's security behavior since 1979.

Enduring National Interests and the Prerevolutionary Historical Legacy

Iran possesses certain national interests that can be described as normal or classic for any state. Protecting the country from invasion or attack and safeguarding the regime in Tehran are paramount, although ensuring the revolutionary form of governance adds an idiosyncratic element to this requirement. Iran also needs a solid economic base to ensure domestic stability and support its security and foreign policy goals.

Beyond these traditional security objectives, Tehran pursues other external policies and demonstrates more distinctive security behaviors. For example, Iran appears to seek a preeminent, even hegemonic, position in Middle Eastern political and security affairs and maximum freedom to act in its surrounding region. Iran also has intense rivalries with major Sunni Muslim states—such as Saudi Arabia and, to a

lesser degree, Turkey, Egypt, and Iraq in the past—for the dominant political, military, and religious leadership position in Middle East. (Iran's role as the leading Shia Islamic power also complicates its aspirations in this regard, of course.)

These objectives and interstate dynamics draw from not only the current geopolitical state of play in the early 21st century but also from the Iranian elites' sense of historical leadership in Southwest Asia and a need to prevent being surrounded by more powerful adversaries. Various incarnations of this state of affairs have existed between Persia and its neighbors long before 1979. Considering historical factors is necessary, therefore, to understand these aspects of modern Iranian strategic thinking.

Persian imperial history follows a similar pattern to that of the Han Chinese and perhaps even the ancient Egyptians. Grand dynasties were destroyed by outside conquests, only to have the invaders subsequently go "native" and eventually be succeeded by a new local Persian ruler. Traditionally this cycle begins with original achievements of the Achaemenid Empire, founded by Cyrus II in the sixth century BCE. Alexander the Great's defeat of Persia in 334 BCE ended Achaemenid rule but began a long pattern of Persian elites successfully surviving foreign conquest as the conquerors adopted Persian culture and appropriated existing modes of governance to rule more effectively. The great Persian empires of the Parthians and Sassanids that arose later continued these legacies, vying for centuries with the Roman and Byzantine empires for dominance in western Eurasia.

However, the Arab conquest of the Sassanids in the middle of the seventh century CE was a humiliation. The population's subsequent conversion to Islam (from Zoroastrianism) was slow, and resistance to Arab rule was constant until the beginning of the Abbasid Caliphate in 750 CE. Like the Greeks before them, the Abbasids admired Persian ways of governance and became dependent on Persian bureaucrats to manage their empire. The caliphate also esteemed Persian art, science, architecture, and philosophy, which all became dominant influences of the emerging pan-Islamic culture. The post-Sassanid Persians adopted little of Arab language or culture, in contrast

to the Persianization of the Arab Islamic world that began in the eighth century.

The subsequent waves of Turkic and Mongol invaders from the 10th through 15th centuries CE—including Genghis Khan's conquest in the early 13th century CE—demonstrated similar patterns of foreign rulers adopting Persian culture. When the Safavid Empire was founded in 1501 CE, Iran returned to Persian rule for the first time since the Arab conquests almost nine centuries earlier. Under the Safavids, Iran became a world power rivaling the Ottoman Empire and underwent a forcible conversion from Sunni to Shia Islam.

The Safavid dynasty ended when rebellious Pashtun subjects from Afghanistan conquered the Persian capital of Esfahan in 1722. A tribal chief from eastern Persia, Nader Shah, defeated the Pashtuns in 1729 and brought Iran under his rule. During his time, Persia reached its greatest extent of power and territory since the Sassanids. Nader Shah's subsequent conquests in the regions will also be the last time an Iranian leader invades a sovereign country through overt force.

After several decades of civil war, a branch of the Qajars (a Persianized Turkic clan in northwest Iran) established a new dynasty in 1794. The Qajars ruled Iran until the early 20th century, but they oversaw a steady erosion of Persian power, with significant losses of territory to the Russian Empire and concessions to the British Empire on trading rights and other economic activities. By the 19th century, the scientific, technological, manufacturing, and military capabilities of European powers began to significantly outpace Iran's, and Qajari rulers attempted to modernize the state and society. Iranian clerical, business, and other elites resented Qajari submissiveness to foreign powers, strengthening nationalist sentiment and sparking a revolution that established a short-lived constitutional monarchy and a parliament (the Majles) in 1906. The discovery of oil in Iran led to greater Russian and British interference, and foreign occupation during World War I ended effective constitutional government and, eventually, Qajari rule itself.

Military leader Reza Khan led a coup backed by Russia and Britain to depose the existing prime minister and assume the role of commander of the Iranian

Army in 1921. Khan became prime minister in 1923 and was appointed as the new shah (king) in 1925, formally deposing the last Qajar king and establishing the Pahlavi dynasty, which would rule Iran until the Islamic Revolution in 1979. A joint Russian-British invasion during World War II deposed Khan and installed his son Mohammad Reza as shah in 1941. Both Pahlavis attempted to modernize Iran during their reigns but had limited success. Instead, their policies alienated the more conservative elites, especially the clergy.

Unlike his father, Mohammad Reza did not generally resist the heavy British—and later American—role in Iranian affairs, which exacerbated tensions with the political left. He was also a relatively weak ruler early on, which allowed the Majles a good deal of power. Leftist Prime Minister Mohammad Mossadegh nationalized the Iranian oil industry in 1951, removing it from British control, and pursued an aggressive and secular legislative agenda. In 1953, the United States and the United Kingdom—aided by members of the Shia clerical leadership, the military, and other conservative elites—led a coup to depose Mossadegh. Following Mossadegh's departure, Mohammad Reza became a more autocratic but modernizing ruler, closely aligned with the United States.

Domestic resistance to Mohammad Reza's rule occurred from several fronts. Most of Iran's clergy resented the shah's secularizing social agenda, leftist and nationalist politicians criticized the government's close relationship with the United States, and the general population chafed under the regime's oppressive internal security forces. These grievances culminated in the Iranian Revolution in 1979, which had support from across the political spectrum, at least initially.

The Geographic Environment

Iran's geography plays a central role in its history and also feeds into its current strategic thinking. The Iranian plateau formed by the Zagros and Alborz Mountains and situated between the Caspian Sea in the north and the Persian Gulf and Arabian Sea in the south is a natural choke point in Southwest Asia

(Figure 1). Transcontinental trade routes passed through this area for millennia, and whoever controlled the plateau held the strategic high ground in the region. The mountains provide a natural defensive advantage against invasion from the north, west, and south, although the advances of Alexander the Great and the Arab armies demonstrated the region is not impenetrable.

Iran's long, mountainous coastline gives it a dominant position in the Persian Gulf, the Strait of Hormuz, and the Gulf of Oman. Tehran needed to project its naval power only relatively short distances to control or disrupt waterways crucial to the flow of international petroleum products. To preserve freedom of navigation in the Persian Gulf and Strait of Hormuz, the United States and other world powers consistently maintain naval strength along Iran's coastline, which Iran resents and fears. The region's rugged terrain allows Iran to conceal its activities, forces, and assets. During the past two decades, Tehran exploited this advantage, constructing underground facilities for its nuclear, missile, naval, and strategic industry programs.

In the broadest terms, how has 2,500 years of history and geographic situation affected the Islamic Republic's leadership's worldview? Iran's decline in relative power and frequent interventions by the great powers over the past two centuries have instilled into many elites' worldviews elements of insecurity, resentment, and distrust toward the West and Russia. Such beliefs are compounded by Iran's relative strategic isolation and historical lack of natural allies. Since the 1979 revolution, for example, Syria has been Iran's only reliable partner. At the same time, the resiliency of the Persian state—until the Qajar dynasty—and the continuing vibrancy of its culture gives most modern Iranian leaders a sense of inherent national greatness and expectation of leadership in the region. Securing the safety and prosperity of the state never goes away, of course. It is also important to understand some of the legacy structures and patterns in the state's military, political, and economic systems that persist. The following sections will examine how these enduring perspectives have interacted with the phenomena of revolutionary ideology, new military

Figure 1. Iran's Geographic Environment



Source: Author.

and political structures, wars, and evolving threat perceptions after 1979 to further shape Tehran's strategic decision-making patterns.

The Ideological Factor: Shared Beliefs and Contradicting Identities

Iran's foreign policies are complicated by the multiple and, at times, contradictory identities the nation acquired throughout its history: Persian, Islamic, Shi'ite, and revolutionary. How Iran incorporates and

prioritizes these overlapping worldviews and conflicting aspirations is crucial to understanding its security priorities and strategic calculus. Reconciling Persian nationalism to Islamic cultural and political preeminence after the Arab conquests has been a long, and perhaps still incomplete, process.

Contemporary Iranian nationalism and national interests remain in conflict with the Islamic Revolution's more universal goals. Iran's Shi'ism frequently handicaps its pan-Islamic messaging toward the region's majority Sunni population, while its revolutionary religious doctrine separates it from fellow

Shia in Iraq and elsewhere.⁷ In fact, the ideological dimension of Iran's security and foreign policies is likely the most frequent source of Western observers' misinterpretation of Tehran's intentions.

Religious Unity. Despite converting to the Muslim minority sect of Shia Islam only 500 years ago, the Iranian regime sees itself as the leader and defender of Shia worldwide. Tehran believes it has special moral responsibilities to protect the important Shia shrines in Iraq and Syria; larger Shia populations in Iraq, Syria, and Lebanon; and smaller Shia populations elsewhere in the world. However, practical considerations temper Tehran's desire to aid and influence foreign Shia communities. Iran has relatively easy access to Shia groups in the Levant and Iraq, especially following the fall of Saddam Hussein in 2003. Communities in the Arabian Peninsula, Afghanistan, and Pakistan have been much more difficult for Iran to influence because of logistics, the security environment, and the hostility of local governments.

Iran aspires to lead the Islamic world, but its regional policies frequently undermine this goal and fuel unwanted sectarian conflict. Tehran's overt and covert work with Shia groups in multisectarian states such as Iraq, Saudi Arabia, Bahrain, Syria, Lebanon, and Yemen drives Sunni Arab suspicions of fifth columns and fears of attempted Iranian dominance of the region. Extremist groups such as the Islamic State build support among Sunnis by exploiting resentment toward Iran's political interference.

Religious Sacrifice. Concepts of martyrdom can also have a powerful influence on the Iranian worldview. Shi'ites venerate Hossein ibn Ali, the fourth caliph and grandson of the Prophet Muhammad. Hossein considered the Umayyad Caliph Yazid I to be unjust and refused to pledge allegiance to him. In response, Yazid's forces ambushed and killed Hossein in the Battle of Karbala in 680 CE. Hossein's followers believed the leader of the Islamic community, the imam, should be just and come from the Prophet's family. They considered Hossein the third imam (after Muhammad and Ali) and the first imam of their new sect of Shia Islam.

The remembrance of Hossein's martyrdom became a central focus of Shia Islam.

The Islamic Republic drew extensively on this tradition during the Iran-Iraq War. Suffering injustice and enduring great loss demonstrated the righteousness of the war's cause. The regime's leadership used the esteem of martyrdom to prolong support for military campaigns long after they ceased achieving their objectives.

Martyrdom took a new form when the first modern suicide bombers—members of Iran's proxy group Lebanese Hezbollah—began operating in the early 1980s. Islamic Revolutionary Guard Corps (IRGC) members killed abroad in the line of duty aiding or fighting in Iran's proxy wars are termed martyrs. Supreme Leader Ali Khamenei even called IRGC Quds Force Commander Qassem Suleimani a living martyr for risking his life building proxy groups to promote the revolution and defend Iran and its allies.⁸

Shia and Iranian martyrdom raises difficult questions. Does the concept of martyrdom change the way Iran's leaders evaluate policy achievements? If individual loss can indicate collective righteousness and divine support, when do Iran's leaders consider strategic or tactical failures to be actual defeats requiring a change in policy? How distinctive is this perspective from Sunni Muslim ideas of success or failure as a sign of divine will?

The answers to these questions have important implications for US diplomatic and military strategies aimed to disrupt, defeat, or by other means prevent the success of Iranian policies or operations. A careful comparative analysis of Iranian leaders' rhetoric and policies during times of crisis, accounting for domestic context, will be required to provide clarity on these issues. Some of these issues as they relate to Iran's view of unconventional and proxy warfare are examined later in this monograph.

Religious Rule. The concept of guidance by the Islamic jurist (*velayat-e faqih*) is the Islamic Revolution's most important principle. Ayatollah Ruhollah Khomeini and other Shia clerics championed *velayat-e faqih* in the 20th century as a more just and righteous form of government. A worthy cleric (a supreme

leader), or even theoretically a group of clerics, guides the people and government but does not normally manage state affairs directly. An important exception to this rule is the supreme leader's role as commander in chief of the armed forces. As a jurist, the supreme leader adjudicates Islamic law, giving him great latitude to interpret, apply, and even override teachings and doctrine as he sees fit.⁹

All policy decisions government officials make must stay in the boundaries the supreme leader establishes. This concept of governance was a radical shift from Shia Islam's traditional "quietest" principles that the clerical leadership should remain separate from politics.

Revolutionary Ideals. As a revolutionary state, the IRI sought to change not only its own form of governance but also other governments and larger international political systems surrounding it after 1979. The ideology that Ayatollah Khomeini and his fellow revolutionaries espoused and codified into the new Iranian constitution was universalist in its nature and deeply shaped their worldview. If the ideals of the Islamic Revolution did not advance into other countries and remain robust inside Iran, Khomeini's entire enterprise could be at risk. The regime in its current form exists because of the revolution, so maintaining the leadership's and the Iranian population's commitment, or at least outward adherence, to the Islamic Revolution's ideology becomes an existential challenge for the government. This does not mean Iran's governing philosophies are inflexible. Certain core ideological principles, however, not only shape the regime's worldview but also create redlines defined by the supreme leader that foreign and domestic policies cannot violate.

Revolutionary ideals inform Iran's quest for religious leadership. Iran's leaders feel that by continuing to export and defend the revolution at home and abroad, Iran can become the leader of the global Islamic community. In a classic soft-power approach to this foreign policy, Tehran has an array of clerical, educational, financial, and humanitarian organizations devoted to promulgating *velayat-e faqih* and other Islamic revolutionary ideals.¹⁰

Iran established the IRGC shortly after the revolution to provide the hard-power component of this policy. The IRGC preserves the revolutionary state; keeps the Islamic Republic's adversaries, such as Saudi Arabia and Israel, at bay; and ensures Tehran's influence abroad through a web of political alliances, paramilitary proxies, and terrorist groups called the Resistance Network. This network includes Lebanese Hezbollah, President Bashar al-Assad's government in Syria, the Palestinian Islamic Jihad movement, and a host of Shia militia groups in Iraq, the Levant, and Yemen.

The IRGC, along with its subordinate paramilitary organization the Basij, is also structured and tasked to maintain Iran's internal stability and combat domestic forces or foreign activities that would threaten the Islamic Republic. The IRGC maintains a close relationship with the supreme leader and a powerful role in Iranian political and economic life. It is often referred to as the embodiment of the Islamic Revolution.

Finally, contesting the United States (the Great Satan) and Israel (the Little Satan) remains a bedrock principle for the Iranian regime. Iran's anti-Americanism originates from not only the revolutionary leaders' hatred and distrust generated by US support of the shah's regime but also an adopted Marxist critique of the US-led political-economic-security system that Iran believes promotes exploitation and neocolonialism of developing countries. This latter idea resonates well with Iranian resentment of the humiliation it suffered at the hands of world powers during the Qajar and Pahlavi dynasties. Tehran is willing to work closely with rogue states (such as North Korea and Venezuela), the Non-Aligned Movement, and any other countries or international organizations willing to challenge US and Western predominance, whether or not they are Muslim.

Anti-Zionism and advocacy for the destruction of Israel are pillars of the Islamic Republic's foreign policy and identity. The IRGC's Quds Force and Lebanese Hezbollah command Iran's efforts to support Palestinian resistance groups and build proxy forces capable of striking Israel. Iran's ideological legitimacy as leader of the Islamic world is inseparable from its campaign against Israel.

Expediency. National interests inevitably conflict with Iran's ideological objectives. Principles may need to take second priority to more crucial concerns, especially if the nation's security is at risk. Khomeini was forced to recognize that continuing the Iran-Iraq War could jeopardize his government's stability, even though the objective of spreading the revolution into Iraq had not been achieved. Khomeini acknowledged that preserving the state is necessary for the revolution to continue and established the Expediency Discernment Council in 1988 to advise him and broadly oversee government decisions to ensure adequate consideration of national priorities. This action also codified the governing philosophy

the supreme leader already enjoyed under *velayat-e faqih*: He can determine the applicability of Islamic principles when national interests are at stake.

The idea of expediency—that the state must take actions that are to its greatest advantage regardless of principles—remains in constant but managed tension with ideological concerns in Iran's decision-making.¹¹ This construct allows Iran a great deal of flexibility in conducting its foreign policies and security activities until those policies hit red-lines established by the revolution's ideals and the supreme leader. Understanding those fixed principles allows external observers to better anticipate the boundaries of Iranian strategic behavior.

Consensual Decision-Making

In addition to persistent national interests, historical legacies, ideology, and shared beliefs, understanding the modes of decision-making in a state is key to constructing a model for strategic culture. The Iranian regime's decision-making on security matters is best described as a consensual process among the key political and military leaders. This form of policymaking can seem opaque and unwieldy, but in practice, the government can make decisions very efficiently. Iran's leadership and security organizations have also evolved and professionalized over time. As Iran's senior leadership becomes more closely knit, Tehran's collective management style becomes more efficient and coherent.

The supreme leader of Iran, like the president of the United States, is the commander in chief of all military and security forces. Decisions to use conventional force, shift major foreign policies, or direct the actions of the Islamic Republic's paramilitary and covert organizations are made and executed through direct and indirect channels under the supreme leader's guidance. However, the supreme leader does not act with singular executive authority in directing Iran's armed forces. Instead, Iran diffuses that power through overlapping formal structures, such as the Supreme Council for National Security (SCNS), the Armed Forces General Staff (AFGS), and the Expediency Council, as well as informal decision-making processes.

The most crucial decisions normally center on the SCNS (Figure 2). This body emerged from the earlier Supreme Defense Council after the Iran-Iraq War and was constituted in 1989. The SCNS's formal membership includes the senior leadership of the Iranian military, heads of each branch of government (executive, legislative, and judiciary), and several cabinet ministers, including those for defense, foreign affairs, interior, and intelligence. The secretary of the SCNS chairs the body and normally plays a powerful role

in driving and implementing policies. Former IRGC leader and Defense Minister Ali Shamkhani currently holds the position and has been prominent in executing and representing the regime's response to the Islamic State since June 2014.¹²

The supreme leader does not normally attend or preside over the SCNS but instead has an official representative who participates on his behalf.¹³ Currently, Supreme Leader Khamenei's official representative on the SCNS is former SCNS secretary and lead Iranian nuclear negotiator Saeed Jalili. Khamenei also maintains his own personal communication channels with many SCNS members. Major national security decisions appear to be made through direct or indirect dialogue between the SCNS and the supreme leader.¹⁴ The supreme leader remains aware of SCNS debates on policy options, while the SCNS accepts the supreme leader's broad preferences and guidelines. SCNS members typically gauge their arguments and advocacy in the context of their understanding of the supreme leader's preferences. The supreme leader is sensitive to the SCNS's mood and opinions.¹⁵ Although certain SCNS members may support different policies early in the decision-making process, the SCNS's official decisions reflect the consensus of the regime.

Iran's national security decision-making process is influenced by a number of key individuals who are not formally SCNS members. These include the foreign policy adviser to the supreme leader, Ali Akbar Velayati; his military adviser, Yahya Rahim Safavi; the chief of staff of his office, Mohammad Mohammadi Golpayegani; the chair of the Expediency Council Ali Movadi Kermani; the chief of the Expediency Council's Security-Defense Commission (and former minister of defense) Ahmad Vahidi; and perhaps most well-known, Qassem Suleimani, commander of the elite, expeditionary IRGC Quds Force.

These individuals normally have a direct line of communication to Khamenei and several SCNS members. However, their attendance at SCNS meetings is not always necessary. The extensive informal networks among the Iranian elite allow certain constituencies to influence the decision-making process. Constituencies with such influence include the current IRGC and former IRGC leadership, portions of the business and clerical communities favored by the regime, and even former presidents and members of their administrations.

Iran's decision makers have long histories with one another, usually going back to the Islamic Revolution and the Iran-Iraq War. Their collective ambitions and fears, as well as informal alliances and rivalries, form a larger ecosystem from which policies, and consensus decision-making, develops. During his 28 years as supreme leader, Khamenei has been tending to this ecosystem and defining its boundaries: which ideas are acceptable, which leaders in the political system should be supported, and which leaders should be shunned (at least temporarily). He has become more adept at ensuring this ecosystem supports him politically, reflects his vision for the republic and the Islamic Revolution, and does not allow any one faction to become too strong. He accomplishes this all without exerting direct autocratic rule. As presidential administrations, parliamentary leadership, and military commands have changed over the past quarter century, Khamenei arguably shaped Iran's decision-making elite into a more homogenous family, cultivating the regime's preference for consensus.

Characteristics of Iranian Decision-Making.

How do the characteristics and structures of governance affect decision-making? First, the regime maintains fairly consistent and coherent policies that reflect the supreme leader's will. Observers should not be overly distracted by the visible squabbles among the so-called reformists, moderates, and hard-liners or between different components of the regime, such as the president and the IRGC. These arguments are normally real and passionate, but any competing policy visions will ultimately be funneled through the SCNS process and mitigated by the direct

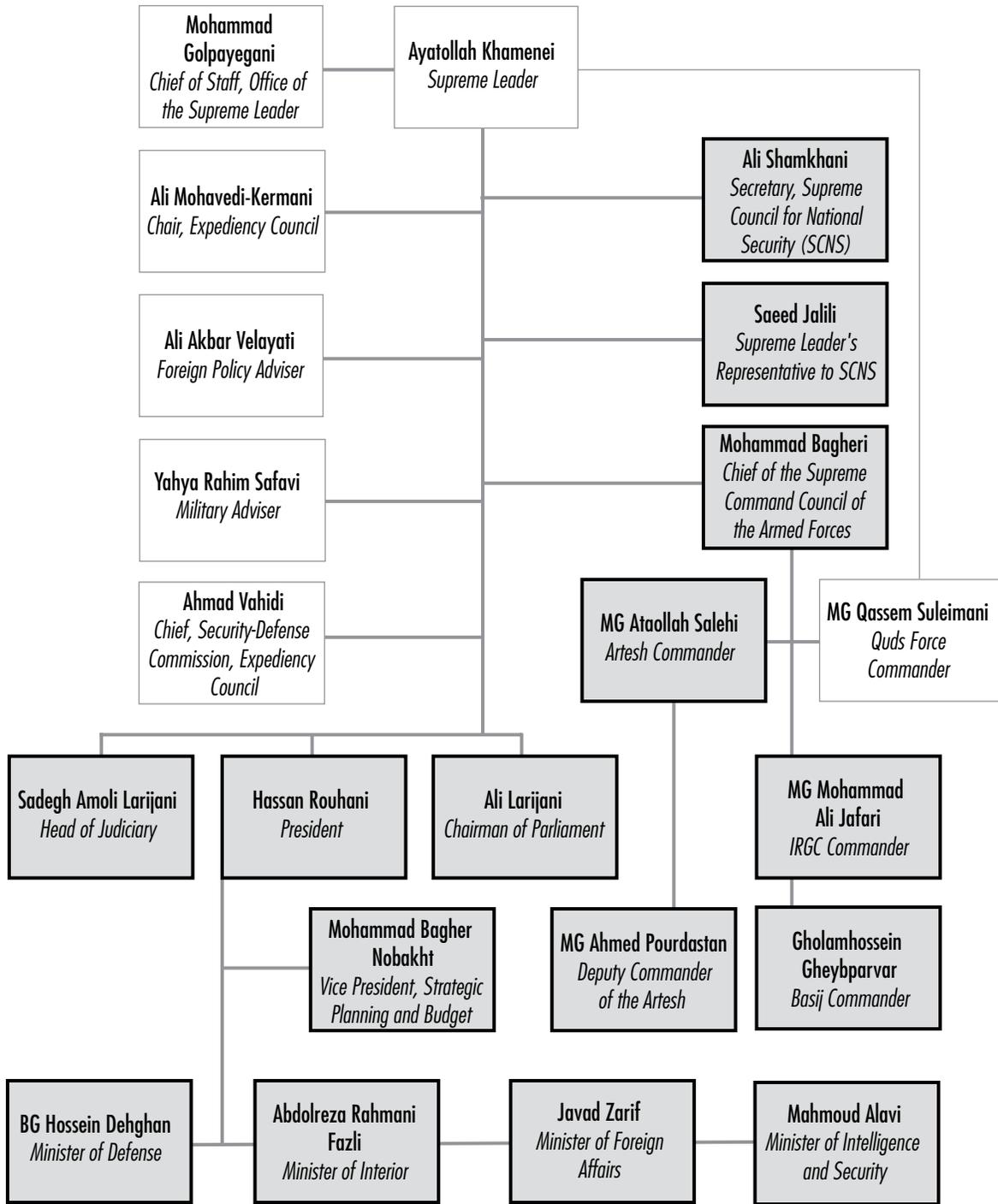
relationship each leader has with Khamenei. Early on in a new policy debate, or as circumstances around an existing policy change, individual leaders may publicly express their diverging views as a means to anticipate, test, or possibly shape the supreme leader's decision on the issue. But once Khamenei and the SCNS make a collective decision, no one can stray from the supreme leader's guidelines.

Second, Iran's decision-making can happen rapidly despite the need for consensus. The positions of key leaders and the supreme leader's receptiveness to various policy options can be quickly discerned given their existing informal channels and the group's long collective history. This is especially true during times of crisis, seen during the Islamic State's rapid invasion of northern Iraq in June 2014. The event caught Iran by surprise, and its leadership appeared to be in an initial state of confusion immediately after the fall of Mosul.¹⁶ Within approximately 72 hours, the SCNS met and came to a decision on the need for robust political and military roles in the unfolding Iraq crisis. SCNS Secretary Ali Shamkhani drove the policy debate at the SCNS, and Quds Force Commander Suleimani executed this effort.¹⁷

Third, public opinion has limited influence on foreign policy decisions. Fears of internal unrest and anti-regime activities drive Iran to monitor and manage popular sentiment through its internal security forces, intelligence services, and control of social media. Iran's tight-knit and ideologically committed senior leadership will not, however, alter a national security decision to placate public opinion absent a perceived risk that continuing that policy could spark large-scale instability. Supreme Leader Khomeini's decision to end the Iran-Iraq War, for example, was driven largely by recognition that the Iranian people were no longer willing to make the sacrifices necessary to continue the conflict.

Finally, Iranian decision makers respond to the internal boundaries (or redlines) set by the supreme leader and the regime's ideological, national, and strategic objectives. Tehran's security policies are arguably more consistent and predictable than those of other powers in the region. This comes as a consequence of a fairly stable group of decision makers oriented

Figure 2. Iran's National Security Decision Makers



Denotes formal membership in the Supreme Council for National Security

Source: Author.

around consensus, along with the need to adhere to not only the certain ideological tenets but also more traditional security interests, which contrasts its sometimes more mutable or personality-driven neighbors. Iran is not opaque or irrational. It is a state that can be understood and anticipated.

Military Decision-Making

Iran's distinctive form of governance extends into its military. The Islamic Republic inherited the former regime's conventional army, navy, and air force, commonly referred to as the Artesh (Persian for "army"). It retains an organization and command structure similar to most European models, a legacy of the dominant role the United Kingdom and the United States played in building Iran's modern military in the 20th century.¹⁸ But the Artesh differs from Western militaries in certain ways. The Artesh Air Defense service is a separate yet equal partner to its air force, reflecting Iran's defensive doctrinal orientation in its conventional forces, for example.

While the Artesh retains the mission of defending the state and protecting its borders, the IRGC was created shortly after the 1979 revolution to protect the regime and ensure the continuation and export of Iran's new Islamic system of governance. The IRGC is much closer to the supreme leader than the Artesh. In particular, Quds Force Commander Suleimani's relationship with the supreme leader and his position in Iran's national security decision-making infrastructure are much more prominent than those of similarly ranked Artesh leaders.

The first three decades after the revolution saw significant competition and distrust between the Artesh and the IRGC regarding decisions on military strategy, operations, and resources. Even following extensive purges of the Artesh's more independent-minded leaders, or those with connection to the former regime, Iran's new leadership lacked trust in the Artesh and granted the IRGC preferential investment. The competition between the two groups was exacerbated by the IRGC's expansion into the Artesh's traditional mission when the IRGC Navy gradually

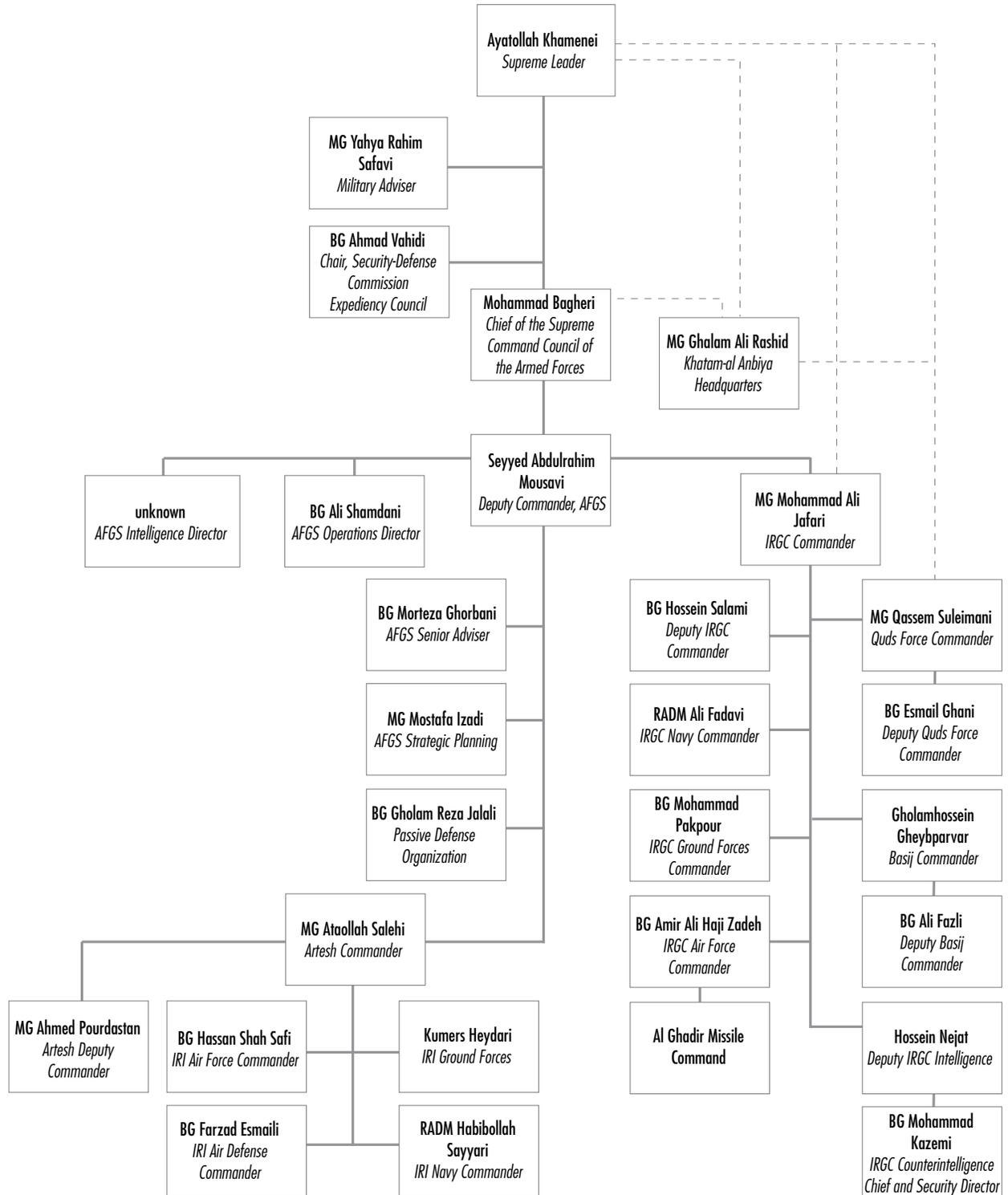
assumed full control of sea and littoral defense of the Persian Gulf. The IRGC was also granted possession of Iran's primary means of conventional power projection, its ballistic missile force.

Several factors have recently reduced the tensions between the two militaries. Competition over resources declined as the regime began to publicly express greater confidence in the Artesh and invest more in its modernization.¹⁹ IRGC efforts to professionalize the organization as it matures helped bridge the military cultural gap with the more-established Artesh and mitigated divisions over military strategy. The merger of the IRGC and Artesh Command and General Staff colleges in 1990 is one example of this trend, as officers from both militaries now receive the same training.²⁰ Senior Artesh leaders now have more professional connections with the IRGC or are former IRGC officers themselves. Finally, the increasing sophistication of Iranian military capabilities, as seen in Iran's ongoing campaigns against the Islamic State in Iraq and against anti-regime forces in Syria, requires deeper coordination among IRGC and Artesh leaders and forces, at all levels. These conflicts are creating potentially profound changes in the Islamic Republic's strategic outlook and approach to warfare, which is discussed in greater depth later in this monograph. These wars have driven more immediate changes in the senior leadership ranks and even command-and-control structures in the military.

The AFGS is commanded by Major General Mohammad Bagheri, who also oversees Iran's bifurcated military as the chief of the Supreme Command Council of the Armed Forces (Figure 3). Bagheri took over in July 2016 in a reshuffling of AFGS that was the most significant military personnel change since the end of the Iran-Iraq War. The new AFGS chief is considered the godfather of IRGC intelligence and likely represents a move toward a more professional, integrated, and interoperable armed forces, especially in comparison to Major General Hassan Firouzabadi, his predecessor. Firouzabadi served for 26 years and was personally close to Khamenei, but Firouzabadi was a veterinarian by trade with minimal military experience.²¹

More interesting changes happened in 2016 below Bagheri. The former deputy commander of the AFGS,

Figure 3. Iran's Military Decision Makers



Source: Author.

Brigadier General Gholam Ali Rashid Rashid—who is a noted military thinker and operator long at the heart of Iran's military strategy and planning—was moved to head the newly reestablished Khatam-al Anbiya Central Headquarters. Khatam-al Anbiya played a significant role in the Iran-Iraq War by coordinating operations between the IRGC and Artesh and has been referred to as one of the most prestigious positions in the military.²² The exact command-and-control relationship now between Khatam-al Anbiya and the AFGS and IRGC is still uncertain. Does the Khatam-al Anbiya or the IRGC form the war-fighting operational command for Syria, the de facto equivalent of a US combatant command? Does Khatam-al Anbiya's reestablishment and operational authorities mean the AFGS will become more like the United States' joint staff?

Deeper Artesh integration was a larger theme in the personnel reshuffle, with an Artesh general taking over Rashid's former deputy position at AFGS and the Khatam-al Anbiya deputy position given to an Artesh commander. The AFGS deputies for logistics and interservice coordination were also replaced. The full motives for these decisions are unclear, but the need to better manage Artesh-IRGC joint operations abroad is a likely factor.

Many of these senior officers are also part of what has been described as the IRGC Command Network. The few dozen IRGC officers in this informal network have had a consistent association with one another since the Iran-Iraq War. Individuals in the network now dominate key leadership positions not only in the IRGC but also in the AFGS, the Ministry of Defense, and the SCNS (such as Ali Shamkhani) and as senior advisers to the supreme leader (such as Yahya Safavi).²³

Placing so many Command Network members in senior AFGS positions demonstrates a principal method that Iranian leadership uses to mitigate concerns about Artesh loyalty and incorporate the more traditional military elements into the regime's ideologically based governance structures. A relatively homogenous leadership corps across Iran's uniquely complex military organs, all tightly connected to the supreme leader and his inner circle, also aids in finding consensus on security issues in both peacetime and crisis.

Regardless of Khatam-al Anbiya's reestablishment, the IRGC retains a degree of autonomy from the AFGS in its operations because of both the special relationship its commanders have with the supreme leader and the role it plays in protecting the regime and exporting Iran's influence and revolutionary ideals abroad. The Quds Force's covert and clandestine operations are often independent of the IRGC, with Suleimani usually taking his orders directly from Khamenei. The supreme leader likely uses this compartmentalization to control information and prevent the formation of any strong opposition in the senior ranks, even if it runs contrary to Iran's preference for consensus decision-making.

The tension between Iran's consensual strategic policymaking and bifurcated military has posed distinctive challenges to the regime in responding to crises and executing campaigns since 1979. The unending conflict in Syria has brought these structural problems to a head once again. Whether the Iranian leadership's changes and reforms from 2016 will allow for more efficient and effective security decision-making remains to be seen.

Evolving Threat Perceptions in Post-1979 Iran

In the first decade of the Islamic Republic, Iran's security decision-making was dominated by the war with Iraq, neutralizing the revolution's internal enemies, and defending against US or Soviet intervention. In the 1990s, the IRGC and Artesh developed defensive strategies to deter the superior US conventional power displayed in the 1991 Persian Gulf War and expanded Iran's covert and clandestine proxy wars against Israeli, Saudi Arabian, and Western interests.

After the al Qaeda terrorist attacks in 2001 and the US-led campaign that overthrew Saddam Hussein in 2003, Iran attempted to neutralize the American threat on its doorstep through a de-escalatory political posture and a covert campaign to co-opt the new government in Baghdad and undermine the willingness of the US to stay in Iraq. Tehran also sought to defend against increasing fears of Western-led subversion and conducted an asymmetric military buildup to dissuade American naval and air power in the region. Following the 2011 uprisings in Syria, Iran's most crucial ally and its entire Resistance Network were at risk, a challenge only compounded by the Islamic State's rapid capture of northern Iraq in 2014.

To better understand how Iran's leaders interpret their strategic environment, this section examines the changing threat perceptions surrounding the two most direct confrontations between the United States and Iran since the revolution: the Tanker War and the Iranian proxy campaign in Iraq after 2003. This portion also discusses the challenge the Iranian regime faces in preserving the Assad government in Syria. The operational and doctrinal aspects of the conflicts in each of these case studies are addressed with more depth in the subsequent sections.

The Iran-Iraq War and the Tanker War: 1980–88

For Iran, the Iran-Iraq War began as a defense campaign against Saddam Hussein's invasion in September 1980. It was an existential threat to the state and the revolutionary regime. After Iranian forces had retaken almost all their lost territory in 1982, Tehran continued the war despite Iraqi offers of—and United Nations Security Council calls for—a ceasefire. The senior leadership fiercely debated this decision, but Supreme Leader Khomeini wanted to secure a stronger position on the ground against Iraq before any peace settlement, and he retained hopes of overthrowing the Iraqi government and establishing an Islamic Republic in Baghdad as the next step in the revolution. Six more years of bloody fighting resulted only in another stalemate.²⁴

The so-called Tanker War began in 1984 under these circumstances. Iraq sought to disrupt Tehran's ability to fund and sustain the war by targeting Iran's energy and economic infrastructure. Iraq attempted to disrupt international shipping (especially oil tankers) to and from Iran. Iran executed a limited retaliation campaign with attacks on Iraqi or Iraq-allied (mainly Kuwaiti and Saudi Arabian) shipping and eventually blockaded the northern Persian Gulf. The Artesh relied on mainly ship- and land-based antiship missiles in its strikes, mitigating the relative superiority of the Iraqi and Saudi air forces. The newly formed IRGC Navy deployed large groups of small boats with rocket launchers and other lighter arms against both enemy and neutral shipping.²⁵

Iran's strategic thinking in conducting the Tanker War campaign is easily discernable. Iran had to

preserve its economic and war-fighting ability, so a response to Iraqi actions against its oil-exporting capacity was essential. Tehran had to limit retaliation, however, to avoid the United States directly entering conflict in support of Iraq.²⁶ Saddam Hussein allegedly wanted to provoke an Iranian overreaction, such as closing the Strait of Hormuz, to trigger precisely such an international response.²⁷

From an operational perspective, Iran exploited its geographic advantage and its adversary's economic vulnerability by attempting to cut off the practically landlocked Iraq from Persian Gulf shipping. Iran also needed to demonstrate its naval strength, especially its ability to control the Persian Gulf and Strait of Hormuz, to deter foreign intervention. Using armed small boats against large ships—a guerilla war at sea—showed the innovative warfare styles that would become the IRGC's hallmark and eventually developed into more formal doctrine. The IRGC's low-intensity, asymmetric approach also aided Iran in avoiding escalation of the maritime fight, at least for the first three years of the Tanker War.

The aftermath of an IRGC small-boat attack on a Kuwaiti ship in September 1986 prompted US intervention.²⁸ When Operation Earnest Will began in March 1987, the US Navy began flagging Kuwaiti and other allied or neutral ships with US colors and provided military escorts in the Strait of Hormuz and Persian Gulf. In September 1987, the United States observed an Iranian ship laying mines in the Strait of Hormuz, and in October, an Iranian missile struck a US-flagged oil tanker. The United States responded by destroying two Iranian oil platforms in the Gulf. When the USS *Samuel B. Roberts* hit a mine in April 1988—a mine traced to the batch of mines captured the previous September—the US retaliatory operation was swift and decisive. American naval forces sunk an Iranian frigate and damaged another, two of the most capable ships the Artesh Navy possessed. The United States also destroyed several small boats and damaged oil platforms used as Iranian command-and-control centers. The Artesh and IRGC navies carried out no significant engagements for the rest of the Iran-Iraq War.²⁹

The Iran-Iraq War helped the more radical clerical elements under Ayatollah Ruhollah Khomeini consolidate their control of the state and the direction of the revolution at the expense of secular, liberal, and moderate groups. The conflict, which the Iranian government refers to as the “Imposed War” and the “Sacred” or “Holy Defense,” took a devastating toll on the country. The brutal trench warfare, the loss of more than one million lives, the destruction from ballistic missiles and chemical warheads, and the absence of allies other than Syria shaped the new Islamic Republic's worldview and approach to military issues. The war left Iran's first generation of leaders with a deep suspicion of regional Arab states, a dedication to resilience and independence, and a wariness of trusting the West.

Iran did not want the Tanker War. It was a defensive campaign with limited strategic and operational success, and it permanently hobbled the Artesh Navy. The four-year conflict showed, however, the resilience, creativity, and vulnerability of Iran's postrevolution hybrid military and established doctrinal approaches, operational art, patterns of engagement, and escalation management that would characterize US-Iranian confrontations at sea for decades to come.

After the Iran-Iraq War ended and Khomeini successfully transitioned to supreme leader following Khomeini's passing, Iranian leaders solidified the regime's structures and expressed greater confidence in the stability of the state and the revolution. The war also codified Iran's unique dual-military structure. The Artesh survived purges of much of its senior leadership after the revolution and retained its role as the conventional defender of the Iranian state. The IRGC, charged with protecting and promoting the revolution, evolved from a paramilitary organization at the beginning of the revolution to a more traditional military force that could collaborate with the Artesh. The IRGC became proficient in both ground and naval unconventional warfare and specialized in creating proxy forces in Iraq, the Levant, and elsewhere along the front lines of Iran's revolutionary struggle against Israel, the United States, and US Arab partners.

This low-intensity, covert, global conflict with the United States and its allies, along with a long-term

effort to improve deterrence against Western conventional military power following quick defeats of Saddam Hussein's forces by the US in 1991 and 2003, defined Iran's security situation and strategy since the end of Iran-Iraq War.

The Great Satan in Iraq and the Region

The US invasion of Iraq and overthrow of Saddam Hussein in 2003 was a mixed blessing for Iran. Tehran's most militarily powerful Arab rival toppled, but in the process the army of its greatest enemy, the United States, was now on its western border. Following the US-led coalition's rapid defeat of Saddam Hussein in 2003, Iran initially feared its regime was again at direct risk. The Iranian leadership recognized the enormous threat and opportunity in these circumstances and developed a multipronged strategy in response.

Diplomatically, Iran attempted reconciliation, most famously by the (allegedly ignored) fax to the US Department of State Bureau of Near Eastern Affairs in Washington, DC. The fax arrived shortly after US forces captured Baghdad in mid-April 2003 and offered a comprehensive deal regarding their nuclear program, a more conciliatory position toward Israel, and an end to Iran's support for Palestinian resistance groups.³⁰ Militarily, Iran escalated, launching an aggressive IRGC-led clandestine political and military proxy campaign to undermine the coalition in Iraq. The IRGC developed defense concepts, such as the Mosaic Doctrine, to survive invasion and eventually expel the invader through guerilla warfare. The success of the Sunni insurgency and IRGC proxy war against the United States alleviated Iran's concerns of any imminent regime-threatening attack.

Between 1990 and 2000, Iran's military decentralized its operational decision-making.³¹ After observing the US campaigns against Iraq to liberate Kuwait in 1991 and overthrow Saddam Hussein in 2003, as well as operations in Afghanistan and former Yugoslavia, the IRGC recognized a need to mitigate the vulnerabilities of the regime's communications and military command and control. This process accelerated

following the 2003 US invasion of Iraq. As part of the Mosaic Doctrine, developed in 2005 by future IRGC Commander Mohammad Ali Jafari, in 2008 Iran began to divide its subordinate military commands into 31 provincial-based units.³²

These new command centers are intended to operate flexibly and independently from Tehran. The concepts in the Mosaic Doctrine also further operationally integrated the Artesh and the IRGC in case of an invasion, with the former providing the initial defense of the country and the latter tasked with creating an insurgent resistance front to wear down and push back the invaders.

Several Shia Iraqi political and paramilitary opposition groups—with Tehran's direction or encouragement—aided the coalition during and after the invasion, even though the Iranian leadership rhetorically opposed the US-led operation.³³ These organizations, such as the Badr Corps, Supreme Council for Islamic Revolution in Iraq (SCIRI), and Dawa political party, had long relationships with Tehran going back to the Iran-Iraq War. The SCIRI and Dawa would form the core Shia political block in Iraq's new government. For example, the first post-transition prime minister, Nouri al-Maliki, headed the Dawa party. The US and its coalition partners were initially receptive to the role these groups could play in helping to build the post-Saddam Iraq.

However, a possible permanent US military presence in Iraq and a Western-aligned government in Baghdad (which could return hostile Sunnis to power) were not acceptable to Iran. Both scenarios could pose eventual existential challenges to the Islamic Republic. An Iraq free of US forces and closely tied to Tehran, in contrast, would provide a level of physical security and strategic depth that Iran had not seen since the 1979 revolution. It would also offer unprecedented opportunity to expand the reach, capacity, and freedom of movement of Iran's regional Resistance Network.

These were the principal incentives for an aggressive clandestine Iranian campaign to push out coalition forces and secure deep influence in the new Iraqi government. The chance to build a much stronger base of influence among Iraq's majority Shia

populations and important religious institutions, in addition to the economic opportunities offered by the Iraqi oil sector and consumer market, provided the motivation for a major parallel soft-power campaign.

Iran's effort to shape Iraqi politics to its favor was the centerpiece of the strategy. Tehran supported Iranian-aligned parties such as SCIRI and Dawa in the electoral process and worked to ensure it had allies in major cabinet departments such as the transportation and interior ministries. Iran retained a deciding voice on who becomes prime minister of Iraq. Nouri al-Maliki's ascension to this position in 2006 and his removal in 2014, as well as the subsequent appointment of Haider al-Abadi, all required Iran's blessing.

This political effort encountered the typical handicaps Tehran faces when asserting Islamic and regional leadership in multisectarian Arab societies. Iran's heavy political hand and a perception of Persian condescension toward Arabs became a liability for its allies and drove resentment among Iraqi Shia and fear among Sunnis. To officially disassociate from Iran, SCIRI changed its name to the Islamic Supreme Council of Iraq and switched its official source of religious emulation from Ayatollah Khamenei to Grand Ayatollah Sistani, head of the Shia seminaries (*hawza*) in Najaf, Iraq. Muqtada al-Sadr, leader of the largest Shia political movement and militia army in Iraq, Jaysh al-Mahdi (JAM), and ardent Iraqi nationalist, frequently rebelled against his Iranian patrons. Many Sunnis saw Prime Minister al-Maliki and his government as representing an extension of Iranian regime and feared the Shia militias. This political landscape is partly why Iran was never able to build an organization similar to Lebanese Hezbollah that could unite all the Iraqi Shia and establish Islamic governance in Iraq.

Tehran's hard-power campaign focused on creating or sponsoring existing proxy forces to co-opt Iraqi security structures and strategically target the United States. Groups such as Badr and JAM integrated into Iraq's national police and army and the senior leaderships of the ministries of Interior, Intelligence, Defense, and other key departments. The IRGC Quds Force partnered with Arabic-speaking Lebanese Hezbollah officers to train the militias. The Quds Force

also created elite special groups, or cells, such as Asa'ib Ahl al-Haq, which would lead the operations against US and coalition forces and provide Iran a direct-action terrorist arm if needed. The IRGC supplied large amounts of weapons to these groups, most notably the improvised explosive devices known as explosively formed penetrators (EFPs) through smuggling networks associated with Badr.³⁴

Hundreds of coalition military personnel were killed and thousands wounded by EFPs and other weapons used by Iranian-affiliated groups. Tehran wanted the coalition forces to bleed until they left and deter the United States from permanently staying in the country. Iran, however, needed to keep the conflict with the coalition from escalating to a direct confrontation with the United States. The Quds Force modulated proxy operations against the coalition and retained an amount of plausible deniability about Iran's role in supplying EFPs and other weapons. Iran was less successful in restraining local Shia militias such as JAM.

Al Qaeda in Iraq bombed the holy Shia shrine in Samarra in February 2006, hoping to provoke a sectarian war with the Shia that would ultimately bring down the new Iraqi government. A two-year sectarian conflict ensued among Sunni and Shia militia groups in the neighborhoods of Baghdad and other mixed-confessional areas of Iraq, although the government never fell. Iran and its sponsored proxies could claim the mantle of protector of the Shia and the shrines, but this phase of the war left deep sectarian scars in the polity, which harmed Tehran's long-term goals of having a relatively unified Iraq under its sway.

Quds Force Commander Suleimani led Iran's hard- and soft-power campaigns. He brokered major appointments in Iraq's government and advised Iraq's leadership while running the proxy war against the United States and overseeing the infiltration of allied groups into Iraqi security forces. His management of the entire Iraq portfolio is another unique feature of the Islamic Republic's command-and-control patterns. The supreme leader trusts the Quds Force to secure and promote the Islamic Republic's interests and goals in the states most strategically and ideologically important to Iran and the Resistance Network:

Iraq, Syria, Lebanon, Israel, and Palestinian territories. In other crucial theaters that are not (yet) part of the Resistance Network—such as the Arabian Peninsula, Egypt, Afghanistan, Turkey, and nonaligned countries in Latin America, Africa, and Southeast Asia—the Quds Force will often share the responsibility with the Ministry of Foreign Affairs and other parts of the Iranian government. Yemen is one contested state where Iranian-backed Houthi rebels may be on the cusp of becoming fully part of the Resistance Network.

By the time American forces left Iraq in 2011, Iran achieved most of its objectives. Tehran needed to deter and push out the United States, build a friendly government, ensure freedom of movement for its operatives and the Resistance Network, and preserve the Shia population and shrines. This was Iran's strategic calculus. Tehran achieved this through a concerted campaign to co-opt the Iraqi government and security forces, build proxies, strategically target the United States while managing escalation, and spread its soft-power influence throughout Iraqi Shia society. This was its operational calculus.

This eight-year campaign under Suleimani was a continuation of the proxy conflict Iran conducted against Baghdad during and after the Iran-Iraq War. Suleimani's operations in Iraq did not end in 2011, but they continued with a lower profile until being dramatically reinvigorated and redirected to fight the Islamic State after the fall of Mosul.

Iran's need to deter the United States in the region also did not end with the success of its Iraq campaign. As the threat of an invasion that would potentially overthrow the regime declined, Tehran's military threat calculus shifted to dissuading or disrupting US conventional naval and air power in the region from coercing the regime or conducting limited strikes on its nuclear program. Iran accelerated its investment in ballistic missiles, cruise missiles, armed small boats, unmanned aerial vehicles, submarines, and other capabilities that could put US and allied air and naval forces in the region—and the Strait of Hormuz—at increasing risk.

The desire to neutralize the threat of a strike on its nuclear facilities was a factor in Iran's decision

in 2013 to have direct talks with the United States and seek what eventually became the Joint Comprehensive Plan of Action (JCPOA).³⁵ How much Iran believes the United States or Israel is prepared to conduct an attack for any violations during the nuclear agreement's implementation or to use military force as a coercive tool if the deal should fail or sunset in the 2020s will most likely play a predominate role in Iran's calculus moving forward.

Often of even greater concern to Iran in recent years is the fear of US covert and cyber activities aimed at undermining the regime and the promotion of Western and un-Islamic culture and political thought through the internet and traditional media, the so-called soft war.³⁶ Defending against the West's supposed soft war on Iran has been an increasingly dominant theme in the supreme leader's speeches and the IRGC's rhetoric and writing. Tehran ultimately fears instability and its own people more than US bombs.

Syria, the Islamic State, and Continuing Iranian Evolution: 2011–17

The 2011 uprising in Syria during the Arab Spring quickly became an existential threat for Iran. Syrian President Bashar al-Assad's brutal response to peaceful protests sparked a widespread revolt against Assad and his minority Alawite-led (a branch of Shia Islam) government. Multiple rebel groups formed, most of which were Sunni, ranging from moderate and secular to more Islamist in character. Al Qaeda also gained a foothold in the conflict with its official affiliate of Jabhat al Nusra (now called Jabhat Fateh al-Sham), the more independent-minded Islamic State in Iraq, and the Levant, now known as ISIS or the Islamic State and previously known as al Qaeda or the Islamic State in Iraq.

By the end of 2011, Syria was embroiled in a multifront civil war, and Assad was fighting for his life. A Sunni-led government in Damascus opposed to Iranian interests is a devastating prospect for Iran. Syria is the IRGC's primary forward-operating base in the Middle East and forms the political and logistical

backbone for Iran's activities in Lebanon and the Palestinian territories. Iran calculated that the loss of Syria could fatally damage the Resistance Network.

Syria and Iran's mutual isolation in the international community and need for collective deterrence against common enemies such as Israel and the West form a stable basis for an alliance. For example, both states previously threatened to escalate conflict regionally in the other's defense. This is the strategic depth that Syria provides Iran. The loss of Syria would bring all of Iran's opponents to its doorstep. Although Assad's secular Baathist regime is far different from the Islamic Republic's model of governance, Syria and Iran also provide each other important ideological support in confronting Israel, the United States, and the US-led global, political, economic, and military system.

Under Quds Force Commander Suleimani's direction, Iran constructed a multipronged campaign to preserve an Iranian-aligned government in Damascus and the Resistance Network. Tehran also worked to deter direct external intervention from the West, Turkey, Saudi Arabia, Israel, and other adversaries, although Iran saw much of the Syria conflict as a proxy war being fueled by these players. Protecting the holy Sayyidah Zaynab mosque outside Damascus became a symbolic and logistical focal point for the soft-power rhetoric of Iran's hard-power campaign. The Islamic Republic began an expansive effort to stabilize, strengthen, and augment the Syrian regime's security forces to execute this strategy. Iran's entire Resistance Network has been mobilized for the fight. The Quds Force and Lebanese Hezbollah built a new network of Syrian militia groups and facilitated the movement of other groups from Iraq and even Afghanistan to join the defense of Assad and the Sayyidah Zaynab mosque.

If Iran must win this fight, success in stabilizing Syria continues to elude Tehran in the long civil

war. Each escalation and infusion of new personnel and resources over the past six years seems to only improve the situation on the ground for a while. Lebanese Hezbollah fighters entered overtly in 2013. The fall of Mosul to ISIS in June 2014 further compounded the situation. The loss of Iraq to Sunni extremists would have represented a far greater existential threat to Iran than the loss of Damascus. Suleimani shifted large numbers of the Shia militia back to Iraq, which for a while became the front line in the Resistance Network's and Iran's fight against their enemies. Tehran was beginning to create its transregional militia army, deployable across multiple theaters with new forms of expeditionary command and control.

By 2015, the situation in Iraq was stabilizing while the Syrian fronts deteriorated again. Iran's agreement to Russia's entrance into the conflict in September 2015 was a watershed moment, strategically and operationally. The ideological and historical legacy barriers that Tehran had to overcome to make this new alliance with—and de facto subordination under—Moscow successful are significant. Only the threat of loss in Syria and recognition of the real military limitations by the IRGC and the Syrian regime forces would drive such a momentous decision by the supreme leader.

With Russian assistance, especially through their air power, the pro-Damascus forces appeared to be in a stronger position by early 2017. The conflict is far from over, though. The cycle will likely repeat, and Iran will face hard choices of whether it will need to escalate its military presence yet again. Tehran may even see this as a war of attrition that it must win and that it simply must outlast its opponents. Regardless, the Syrian and Iraq conflicts are pushing the Islamic Republic's capabilities and even its worldview into new directions.

Conclusion

There is no ready-made algorithm for how any state—including Iran—makes decisions on national security policy and the use of military force. This does not mean, however, that such decisions are incomprehensible or inherently unpredictable. Analyzing patterns of historical behavior, the evolution of worldview and threat perceptions, and the key personalities and processes compromising state decision-making can provide reasonable parameters for anticipating a state's policies and actions. I have argued in this section that Iran's historical legacies, geographical realities, religious and ideological tenets, and national interests shape the Islamic Republic's threat perceptions and its leadership's perspectives. Understanding these elements of Iran's strategic culture can help US policymakers understand Iran's security-related thinking, policies, and actions.

What are the primary characteristics of Iranian strategic and military thinking? First, the regime's perception of threats to national interests and core ideological principles that undergird regime legitimacy drives Iran's behavior both internationally and domestically. Recognizing when the state, the continuation of the revolution, Iran's economic viability, or its leadership among Muslims, Shia Muslims, or regional neighbors is at risk is crucial for analysts and policymakers in deciphering and anticipating Iran's security decisions. If Iran's fear of US military attack or intervention declines or increases, for example, Washington may see new shifts in Tehran's diplomatic and military posture. If fighting unconventional groups such as the Islamic State or perceived Arab Gulf State proxies becomes the dominant threat, Iran may need to further alter its military posture to focus on hybrid warfare in the region and improve its ability to project conventional air and ground power in conjunction with its proxy forces.

Second, in the conventional military sphere, Iran remains defensively oriented and avoids direct confrontation with the US and other military powers. Tehran's concerns for its own stability and regime survival, mitigation of its relative isolation, and deterrence of potential attack from multiple nearby military adversaries will likely continue to override considerations for initiating overt military conflict. A sense of relative insecurity can be seen in much of Tehran's behavior, including its search for greater strategic depth in the region and preference for self-sufficiency in military capabilities. As noted earlier and will be explored later in this monograph, shifting threat perceptions and new resources may be allowing Iran to become more offensive in its conventional military orientation.

Third, Iranian foreign and security policies are shaped by dual factors of national interests (expediency) and ideology. The tension between these poles of thought defines the national security debate in the regime, although expediency will trump ideological concerns whenever the leadership perceives a real conflict. The state must be preserved for the revolutionary principles of the Islamic Republic to survive. Ideological principles cannot be wholly set aside, however. The loss of *velayat-e faqih*, presumption of Islamic leadership, anti-Americanism, or anti-Zionism would challenge the *raison d'être* of the Iranian regime.

The Resistance Network of proxies and partners is the most distinctive feature of Iran's foreign and military policies and reflects this duality of ideological and geopolitical national interests. The network projects Iranian influence and ideas while providing Tehran with lethal and clandestine means to project power, deter its adversaries, and compete with rivals. If Iran is defensively oriented in a conventional military sense, its asymmetric regional and global

campaigns through the IRGC and the Resistance Network are offensively oriented.

Fourth, Iran prioritizes internal security concerns above external ones. As a revolutionary state, the greatest threat to the supreme leader will come from divisions among the regime's elites or from the population. Vigilance against subversion and preserving domestic stability dominate security policymaking and military planning. These concerns are not limited to times of crisis, since defense against sedition originating from foreign powers is especially important. In conflict, Iran will likely see the battle lines drawn both inside and outside its borders.

Fifth, Iran's consensual decision-making style is becoming more coherent as the senior leadership group becomes tighter and its security organizations evolve and professionalize. This trend will inevitably affect the speed and characteristics of Iranian decision-making, but exactly how remains uncertain. In future crises or conflicts, will decisions to use force be quicker? Will they be more susceptible to groupthink? Will military campaigns become more integrated, or will Iran's bifurcated command and control remain an operational obstacle? Will these patterns survive the passing of Supreme Leader Khamenei? These are important questions for US defense and military planners.

Sixth, since 1979, Iran has a historical preference for conducting low-intensity, proxy, and asymmetric warfare. Using others to fight your conflicts and

keeping adversaries occupied away from your borders is a logical response to Iran's difficult strategic position in the region. As seen in the IRGC's and Artesh's conduct in the Tanker War and the Iraq campaign post-2003, having some plausible deniability and keeping the conflict level restrained allows Tehran to manage escalation with more powerful adversaries such as the United States.

Finally, Iran's military strategies and doctrines react to the regional conventional military dominance of the United States and its allies. Tehran needs to deter the US and its allies and has built its force posture—ballistic missiles, antiship cruise missiles, swarming armed small boats, mines, and cyber capabilities—in response. Passive Defense and the Mosaic Doctrine are fundamental to Iran's strategic doctrine and were built specifically to respond to the American way of war since 1991. Iran also shows increasing sophistication in its military strategy and doctrine writings.

These factors, characteristics, and principles provide a basic framework for policymakers and analysts to better understand Iranian security thinking and behavior. The subsequent sections will explore, expand, test, and refine these concepts of Tehran's security decision-making, examining Iran's approach to use of force, escalation, deterrence, war termination, evolution of doctrine, military budgeting, defense acquisition, and likely strategic paths for Iran after implementing the JCPOA.

Notes

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6. Key examples include Michael Eisenstadt (Washington Institute for Near East Policy), Michael Connell (Center for Naval Analyses), David Crist (Joint Chiefs of Staff Historian), Alireza Nader (Rand Corporation), Alex Vatanka (Middle East Institute), and Afshon Ostovar (Center for Naval Analyses).
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Section II

Iran at War: Understanding Why and How Tehran Uses Military Force

Introduction

President Hassan Rouhani likes to boast that the Islamic Republic has not initiated a war against another country since the Islamic Revolution in 1979. There is some truth to this. Iran's relative conventional weakness and threat perceptions make Tehran a fundamentally defensive state in the standard military sense, as I argued in Section I. These drivers also push Iran to pursue its more aggressive, and ultimately revisionist, foreign policies through less conventional means such as proxy forces and asymmetric fighting doctrines.

However, Iran's military capabilities and perceptions of its threat environment can and will change. In thinking through a post-Joint Comprehensive Plan of Action (JCPOA) world—with loosened arms embargoes and realigned political realities—the United States needs to consider more deeply how and why Iran would use military force.

This section attempts to answer some essential questions about how the Islamic Republic views the nature of war: how it starts, escalates, ends, and is prevented in the first place. Specifically:

- Why does Iran decide to use military force, either unconventional or conventional?
- How does Iran view deterrence against the United States?
- Why does Iran decide to escalate or de-escalate a conflict?
- How does Iran view retaliation and reciprocity in military action?
- Why and how does Iran attempt to end conflict?

The answers to these questions are based on the findings drawn from a hypothetical—but not unrealistic—expert-level crisis simulation of a potential confrontation between the United States and Iran in 2017 and from historical cases studies of major conventional and unconventional Iranian military actions since the Iran-Iraq War.

Crisis Simulation: Collapse of the Iran Nuclear Deal

A six-hour crisis simulation was conducted to examine the decision-making process of Iranian leaders during crisis and wartime. The simulation's aims, participants, structure, and results are discussed below.

The Aims

The point of the exercise was not necessarily to predict how such events could unfold in real life, but rather to illuminate the Iranian government's potential or likely behavioral patterns in a similar crisis with the United States.

The simulation also explored perceptions and misperceptions about Iran's use, escalation, de-escalation, and termination of overt and clandestine force, as well as how Iran's consensual decision-making style interacts with more formal processes, such as the Supreme Council for National Security (SCNS) and the armed forces command structures.

Simulation Structure

To better explore the leadership's threat perceptions and strategic perspectives, five interactive groups of Iranian decision makers were assembled, including teams of individuals representing the supreme leader and his office, the president's administration and other influential advisers, the Armed Forces General Staff (AFGS) and Artesh (Iran's conventional military force), the Islamic Revolutionary Guard Corps (IRGC), and key Iranian proxies and allies. Iran's collective decisions were made opposite a dynamic US

team. Other regional and international actors were played by the Control team.

Simulation Participants

Every crisis simulation is in some sense artificial. Even a well-constructed scenario cannot simulate the effect of lifetimes of lived experience, nor can we condense several months' worth of evolving crises into six hours without losing some valuable context. Moreover, it is not possible to invite Iranian political and military leaders to Washington, set them against a group of US policymakers, and walk them through a decision-making simulation designed to test their assumptions and responses.

Instead, the simulation included experts from Washington's think tank community and a large number of Iranian security analysts from the US government. These individuals have spent careers attempting to understand the decision-making processes of Iran's leadership, including the goals and relationships of individual personalities.

Simulation Scenario

The crisis simulation was set forward into the early spring of 2017. A new US president entered office in January, having run on a foreign policy platform pledging stronger US international engagement with a particular focus on reexamining existing US policy toward the Middle East. During the campaign, the new president expressed some skepticism of the JCPOA between the P5+1 and Iran, which was signed

in July 2015 and subsequently endorsed by United Nations Security Council Resolution 2231.

Although the new US president did not pledge to unilaterally withdraw from the JCPOA, he promised the American people a thorough review of the deal and publicly stated that he would consider suspending US implementation of the JCPOA—including impending phased sanctions relief for Iran—and reimposing US financial sanctions. The new US administration was designed to be an unpredictable factor that the Iranian players would have to assess and navigate.

Initial Scenario. To test Iranian decision-making on the use of force, the scenario pushed toward a point at which force would become an option. This scenario may strike some as hawkish, or even fantastic, but the goal was to better understand what circumstances would compel Iran to use military power.

To initiate conflict between the United States and Iran, the scenario stated that Iran appeared to have properly reconfigured its enrichment facilities at Fordow and Natanz, reduced its uranium stockpiles, refitted the Arak Heavy Water Facility, and completed other explicit requirements of the JCPOA. However, doubt remained over Iran's cooperation with the International Atomic Energy Agency (IAEA), and the furor over interviews and inspections of Iran's research centers clouded the credibility of the IAEA's conclusion. The US team was skeptical of the IAEA's report reaching the "broader conclusion" that all nuclear fissile material in Iran was currently employed only in peaceful purposes. Ultimately the IAEA reported confidence in its knowledge of Iran's present operations but was silent on past issues of possible weaponization research.¹

In accordance with US government predictions, the scenario anticipated that most of the initial round of sanctions relief fed directly into infrastructure, construction, and development projects supporting Iran's ailing economy.² Some of the funds, however, were suspected to support the operations of Iran's proxies and allies in Iraq, Syria, Lebanon, and Yemen.

The scenario predicted that the IRGC, Lebanese Hezbollah, and Iran's local militia allies would have

Iran-Saudi Tensions: January 2016

In January 2016, protests occurred outside the Saudi Embassy in Tehran and the Saudi Consulate in Mashhad following the Saudi Arabian government's decision to execute prominent opposition cleric Sheikh Nimr al-Nimr. Furniture and windows in the annex to the Saudi Embassy in Tehran were broken and smashed, and fire bombs ignited a fire in the compound. Following the incident, Saudi Arabia cut diplomatic ties with Iran, followed shortly thereafter by Bahrain, Sudan, Somalia, and Djibouti. The United Arab Emirates downgraded its relationship with Iran.³

maintained a friendly government in Syria and built a new line of resistance on Israel's northern border. For purposes of the simulation, ISIS's territory had decreased in Iraq and Syria, but ISIS had continued to expand its presence in North Africa, the Arabian Peninsula, and Central and South Asia. It persisted as a serious terrorist threat throughout the region.

During the simulation, tensions between Saudi Arabia and Iran remained high, with brief periods when both countries recalled their respective ambassadors. (For contemporary parallels, see sidebar.) Their proxy conflicts in Yemen and Syria ebbed and flowed without resolution, with Iran increasingly asserting itself as the guarantor of security in the Persian Gulf and aggressively patrolling the Strait of Hormuz.

The simulation background included reports that the IRGC Navy fired on and attempted to board Saudi- and Kuwaiti-flagged vessels in early 2017. This triggered a brief firefight between the Saudi and IRGC navies, with Riyadh ultimately backing down. A commercial vessel was later detained by the IRGC Navy and escorted into port at Bandar Abbas.

The scenario did not include Russia's new interventionist role in the Middle East. Moscow's reinvigorated alliance with Tehran over Syria in the latter half of 2015 represents a significant shift in the regional

security landscape. Further assessments of Iran's potential strategic behavior given greater Russian backing will be needed.

First Turn: Covert Nuclear Revelations and Tensions in the Persian Gulf. For an initial development, the new US president received an official public request from Saudi Arabia to provide direct US 5th Fleet support for a new Arab collective naval force. The force aimed to deter the IRGC Navy and provide as-needed escort for commercial shipping through the Strait of Hormuz. Word of the Saudi request was met with concern in Tehran, and Iranian leaders were guided to consider how best to prevent the United States from backing out of the JCPOA while deterring a more forceful US military posture in the Gulf.

At this point in the simulation, Iranian actors representing Iran's Ministry of Intelligence and Security (MOIS) and the IRGC were given intelligence that the security of a previously undeclared covert IRGC nuclear facility may have been compromised by Western intelligence. They were not told which power or powers compromised their security or what information may have been divulged. The site was previously unknown to most members of Iran's leadership, which created tensions between the IRGC and the presidency.

Most of the discussion from the Iranian side during this segment focused on trying to understand the implications of the newly disclosed site for the nuclear deal. Given the untested nature of the new American president, Iranian actors tried to avoid any threatening moves. Individual Iranian leaders contemplated attacks to "shake up the Saudis" or requested Russian advisers for the recently delivered S-300 anti-aircraft systems to "show seriousness," but neither proposal achieved consensus.

Instead, Iran held small military exercises with its conventional forces in the northern Persian Gulf area. The Iranian players selected this area and decided not to use IRGC forces, in an effort to exhibit deterrence but not be threatening. The United States decided the US Navy would escort civilian shipping through the Strait of Hormuz as necessary, and the *New York Times* leaked a story that the United States possessed

Iranian Threat Perceptions: Summer 2015

In the present-day conflict in Syria, actions by the United States and regional actors during the summer of 2015 may have raised Iranian threat perceptions in a manner similar to that envisioned in the second turn of this simulation. The establishment of the Jaysh al-Fatah (Army of Conquest) in March 2015, its capture of the Syrian provincial capital of Idlib on March 28, and its control of the province by late May threatened key regime positions in Latakia.⁴ The Jordanian-backed Southern Front alliance captured the Jordanian border crossing at Nassisib on April 1.⁵

In July 2015 the first two cadres of US-trained opposition forces entered Syria, and the United States announced an agreement to conduct air strikes from Turkey's air base at Incirlik.⁶ On September 16, the United States announced it could authorize US air strikes if the Syrian regime attacked US-trained Syrian opposition forces.⁷ Joint Iranian and Russian operations beginning in September 2015 should be viewed in the context of coalition-supported gains by Syria's opposition throughout the summer.

intelligence that showed Iran may have a secret uranium enrichment site.

Second Turn: Escalation of Crisis. The simulation's next development increased the threat perceptions of both sides. To threaten Iran's regional positions, it was announced that forces of Turkish-backed Jabhat al-Nusra captured Latakia, Syria, putting Syrian President Bashar al-Assad's coastal enclave at risk. (For contemporary parallels, see sidebar.) Additionally, Kurdish and Baluchi separatist forces conducted major operations against IRGC positions within one week of each other.

To advance the threat perceptions of the US side, Israeli Defense Forces in northern Israel were placed

on high alert, and Saudi Arabia suffered a significant cyberattack that degraded energy operations in Dhahran for two weeks. Finally, a US naval ship escorting an Italian tanker hit a mine in the Strait of Hormuz.

Iranian discussions during this segment focused on the need to open negotiations with the United States and an effort to appropriately respond to US moves. Several Iranian actors pointed out that Iran must not fall into the trap of escalating the conflict with Saudi Arabia to the point at which the United States feels forced to intervene. Many mentioned that the supreme leader did not seek, nor could Iran sustain, a multifront conflict. Iran's leadership tried to avoid any threatening moves. They were still trying to ascertain what the nuclear facility meant for the nuclear deal, and broader regional issues were not significantly discussed.

Proposals for unconventional use of force at this stage were specifically nonlethal. They were intended as warning attacks rather than direct attacks on US forces. IRGC Quds Force Commander Qassem Suleimani wanted to "shake up the Saudis" but not target US forces in Iraq. Iran's leadership decided not to take action during the first round, but Suleimani set conditions for escalation in the second round. IRGC Navy Commander Ali Fadavi announced the release of a previously detained commercial vessel, and Tehran formally requested Russian advisers support its new S-300 systems.

The United States decided to deploy the US 5th Fleet into the Gulf, while moving more F-22s and B-2s to regional bases. US special operations forces began operating in Yemen, and no-fly zones and safe zones were established in Syria with Turkey's assistance. The United States announced its intention of forging a new status of forces agreement with Iraq.

Third Turn: Use of Force. In the final development, Iran exercised its first use of unconventional force. As part of a decision to oppose a new status of forces agreement between the United States and Iraq, unknown fighters conducted 81 mm mortar attacks on Iraqi bases from which US forces were operating. This was the culmination of IRGC Quds Force

Commander Qassem Suleimani's preparations from the previous segment.

At this point, Control noted Iranians' hesitancy to engage in direct conflict with the United States and decided to force a conventional military escalation. Upon direction from Control, the IRGC Navy opened fire on Saudi Arabian naval ships operating as part of the new collective naval force. Serious injuries occurred on both sides, although none were killed or captured. Ships on each side were damaged but not sunk. Additionally, Control indicated that US special operations forces advising the Yemeni army under President Abd Rabbuh Mansur Hadi encountered al Houthi forces and IRGC Quds Force advisers operating in southern Marib province. In the ensuing fire-fight, US and IRGC Quds Force officers were killed.

In an additional unforeseen event, Supreme Leader Ayatollah Ali Khamenei died from prostate cancer, and Ayatollah Mahmoud Hashemi Shahroudi became Iran's new supreme leader.

Iranian military leaders recognized that casualties among US forces signaled a dangerous escalation of the conflict. They immediately began discussing possible ways of de-escalating the situation. Iran decided to ask Russia to introduce a United Nations Security Council (UNSC) proposal to begin a negotiating process over the nuclear developments. Iran announced that it agreed in principle to allow IAEA inspectors to access the newly exposed nuclear facility within 24 hours, pending negotiation of the details.

In the midst of this round, the United States reacted to continued Iranian harassment in the Strait of Hormuz and damage to the US naval vessel by conducting targeted strikes on Iranian naval mine storage facilities along Iran's coast. Iran responded with ballistic missile attacks on Al Udeid air base near Doha, Qatar. This Iranian decision to use force was designed as a proportional response, as the planes that carried out the attack on the mine storage facilities came from Al Udeid air base. These events constituted the participants' first decision to use conventional force.

During this round, Iran's supreme leader announced that only if Iran were treated respectfully and as an equal would he discuss allowing inspectors

into Iran. In response to the attacks on Al Udeid and Iran's refusal to allow inspections, the United States conducted a subsequent round of attacks, eliminating the previously undeclared nuclear facility. The simulation ended at this point due to time constraints.

Simulation Results

The simulation allowed for an examination of the crisis-management process itself. The teams were constructed to reflect the key nodes of security decision-making in the Iranian government, including the IRGC Command, the AFGS, the Ministry of Foreign Affairs, the Office of the Supreme Leader, and the SCNS. As outlined in Section I, these organizations operate through relatively complex formal and informal mechanisms as they work to build consensus around key decisions. The simulation, however, could not fully replicate all the personalities and structural dynamics present in the Iranian system.

The exercise was specifically designed to explore how information flows through the Iranian government during a crisis. Recognizing the tendencies of the Iranian system to compartmentalize knowledge and decision-making, certain pieces of intelligence were given only to the IRGC and others only to MOIS. Diplomatic information flowed through the Ministry of Foreign Affairs, while other scenario developments were communicated to all the teams through public media announcements. Based on the exercise's results, Figure 1 demonstrates an improved model of Iranian crisis decision-making.

These dynamics inevitably led to certain participants perceiving themselves as out of the loop. The revelation of the IRGC's covert nuclear program in particular created significant tensions between the IRGC leadership and President Rouhani's administration, which had been unaware of the secret activity. This frustration further fueled mistrust among the key players and delayed major decisions. Compartmentalizing information likely inhibits Iran's ability to communicate a coherent message or make timely policy choices in a crisis.

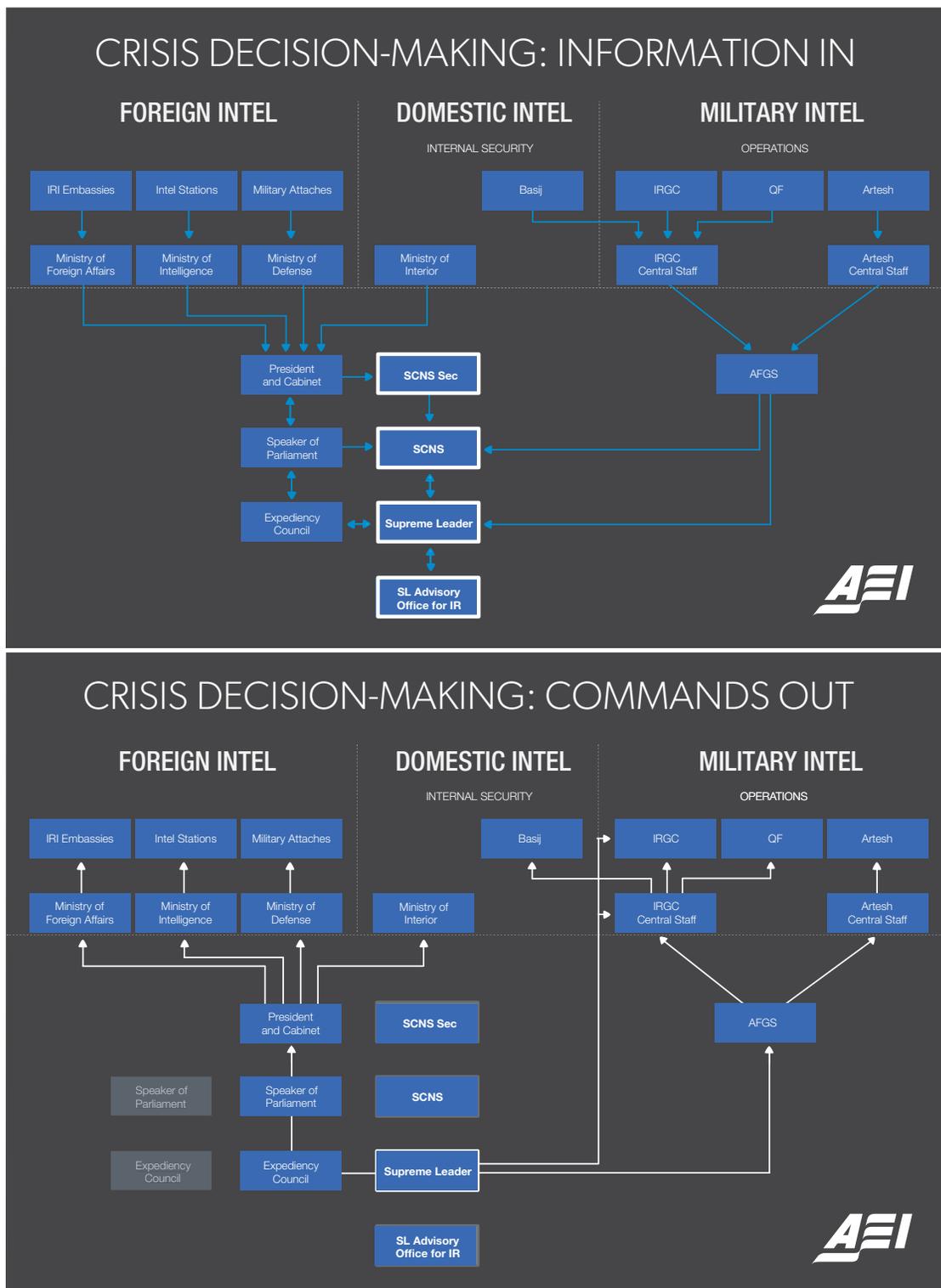
The president's limited role in national security—he has oversight over the MOIS and Ministry of Foreign Affairs and can call SCNS meetings, but he has no power over the IRGC and the rest of the military—was also tested in the simulation. President Rouhani and Foreign Minister Javad Zarif were active and eager to engage the US team during the exercise, but their limited influence in security decision-making made pursuing meaningful negotiations difficult. Those individuals who did have the most control over the security portfolio, such as the IRGC and principal advisers to the supreme leader, had almost no channel to communicate with their US counterparts. This left the US team with little sense of how the Iranians were interpreting US actions or weighing potential responses.

The simulation was designed to force all decisions through the SCNS process and to consciously test how different stakeholders on the council, such as the military or the foreign ministry, would confer among their subordinates and allies before convening. Another important objective was to see how the supreme leader and his inner circle would interact with the SCNS. Normally Supreme Leader Khamenei does not attend council sessions, instead sending a representative.⁸ This reflects Khamenei's approach of remaining somewhat removed from the daily political process. He remains sufficiently engaged with the principal figures to ensure they move toward a mutually agreed upon solution that does not violate his ideological or political limits.

Many of the major players have a direct method to communicate with the supreme leader and are expected to gain a sense of his opinion or guidance separately before the SCNS. The SCNS itself can be seen as a testing ground for ideas. All participants argue their positions, cognizant of where they think the supreme leader's thoughts and preferences lie. The SCNS proceedings, in turn, inform the perspectives of the supreme leader, who aims to ensure there is ultimately consensus on any final decision. This feedback loop between the SCNS members and the supreme leader, both formally and informally, is the central node in Iranian security decision-making.⁹

Re-creating this dynamic during the simulation proved rather difficult. The supreme leader, his chief

Figure 1. An Improved Model of Iranian Crisis Decision-Making



Source: Adopted and modified from Abbas Maleki, "Iran's 20-Year Perspective Document & Iran's Foreign Relations," Conference on Iran's 20-year Perspective Document and Public Participation, Sharif University of Technology, May 18, 2005, http://vision.cer.uz/Data/lib/vision_texts/Iran/Iran_s_20-Year_Perspective_Document___Iran_s_Foreign_Relations.pdf.

of staff (representing his office), and other key advisers were physically separated from the other Iranian teams and the meeting space for the SCNS itself. The supreme leader would, however, join and chair the SCNS meeting during the exercise. The anticipated nuanced process of gauging the leader's thoughts or working multiple informal communication channels with him before, during, and after the SCNS meetings to reach a common decision never occurred.

This phenomenon reflects the artificiality and time constraints of the game, as well as the personalities of some key players. The "collapsed" supreme leader-SCNS meetings observed may not provide sufficient evidence to alter the basic assessment of Iran's security decision-making process. They may, however, provide some useful perspective. The events imagined in the simulation would represent the greatest security threat to Iran since its war with Iraq in the 1980s. It may not be surprising then that the supreme leader, who is commander in chief, became more personally involved in wartime deliberations, just as Ayatollah Ruhollah Khomeini was during the Iran-Iraq War.¹⁰

Key Simulation Findings. The exercise provided numerous insights into Iranian approaches to the use of conventional and unconventional force, deterrence, escalation and de-escalation of force, proportionality of targeting, and criteria for ending conflict. These are the most important findings as identified by the simulations' participants.

Iran is reluctant to use force. The most distinctive finding is Iranian leaders' hesitancy to use conventional force against the United States or its allies, primarily for fear of escalating the conflict beyond Tehran's control. Those playing the US administration especially noted how "tough" it was to get Iran to go to war. As previously noted, the simulation's Control group was forced to deliberately escalate the military conflict so that Iranian decision-making for employing military power could be observed.

Iran resorts to conventional conflict after it has been subjected to a conventional attack. Iranian leaders decided to use force during the third round of the simulation,

in response to a US air strike against Iranian naval mine storage facilities. Planes flying from Al Udeid air base carried out the US air strike, and Iranian leaders saw their ballistic missile attack on the base as proportional retaliation.

Iran used unconventional conflict to distract the United States and deter against US presence in the region. During the simulation, Iranian leaders attempted to dissuade further US-Iraq ties by facilitating 81 mm mortar attacks on bases from which US forces were operating.

The intent of IRGC clandestine or covert activities can be unclear to US decision makers. Whether an Iranian proxy group or terrorist attack is a singular event, such as retaliation, or is part of a potentially expanding campaign against US interests can be easily misunderstood. Although mortar attacks on bases from which US forces were operating were the result of a concerted effort by IRGC Quds Force Commander Qassem Suleimani, this event was a sideline in the evolving crisis. It was not clear that US players connected the attacks by an "unknown gunman" to any concerted decision or messaging by the Iranian regime.

Iranian deterrence efforts include rhetoric, military exercises, and low-level proxy conduct. During the simulation, Iranian leaders attempted to assert deterrence by holding military exercises in the northern Persian Gulf area. By holding the exercises outside the Strait of Hormuz and not involving IRGC forces, the players attempted to present a deterrent posture that was neither threatening nor escalatory. Unconventional deterrent options that were discussed included vehicle-borne improvised explosive devices, rocket attacks by proxy forces in Iraq, and increased lethal aid to groups in Syria or Yemen.

The United States may underestimate the degree of leverage or deterrence it possesses vis-à-vis Iran. The United States was also hesitant to be the first party to aggressively use conventional force during the simulation. Conversely, the Iranian team increasingly felt fearful of US power and the threat of overstretch if the conflict expanded.

Iranian escalation moves in discrete steps, not large jumps. Iranian decision makers were presented with escalatory options during the simulation, but they always selected the less escalatory of the proposed actions. When Iranian leaders finally sanctioned an escalatory operation in Iraq, it took the form of an ISIS-like prison-breaching attack in Taji, rather than the proposed rocket attacks at the US Embassy in Baghdad.

The location of Iranian covert activity significantly affects US perceptions of escalation. IRGC covert action in areas where its presence is less well entrenched is seen as escalatory, even though that action may occur at a lower level. For example, the US team perceived IRGC advisers in Yemen as a greater threat than mortar attacks on US forces in Iraq.

Iranian de-escalation may occur on a conflict's periphery. During the simulation, a captured commercial vessel was released as a de-escalatory effort, but—concerned with other decision points—the US team failed to notice the ship had been released. Other Iranian efforts at de-escalation included trying to persuade the al Houthis in Yemen to stand down, attempting to signal willingness to negotiate with Gulf Cooperation Council states, and requesting that Russia sponsor a UNSC Resolution to support peaceful negotiations. US players did not interpret these actions as de-escalation, but rather as “weaseling.”

The United States may misperceive Iranian attempts at de-escalation. The US team expected Iranian de-escalation to look like capitulation, but Iranian leaders will go to great lengths to avoid this perception. This suggests that in actual direct conflict, Iran will feel the need to at least symbolically get the “the last punch in” to maintain the pretense of being able to deter and respond to US military power. This may present particular difficulties for US military and political leaders to conclude a war successfully.

Iran may consider bringing in additional international actors, such as Russia or China, as a potential way to constrain US action and de-escalate the conflict. In the

simulation, the US side perceived moves to involve Russia as escalating the conflict. This finding became more relevant in interpreting Iranian calculations after Russia's new interventionist actions in Syria.¹¹

Questions of proportionality are frequently misread and misunderstood. Iranian actors considered a ballistic missile attack on Al Udeid proportional because it targeted the facilities that had launched attacks on Iranian mine storage facilities. The United States argued the attack on Al Udeid was disproportional because it was greater in magnitude and an attack on a basing facility rather than a storage depot. This divergence of perceptions could unintentionally escalate conflict.

Ultimatums may not work against Iran. During the simulation, Iran was unable to end the conflict because it escalated more quickly than it could contain. Iran's leaders felt that they were confronted with an ultimatum and that they could not back down without inviting more aggressive actions. Iran's efforts to affect the terms of the negotiation so it could proceed as an equal partner were seen by US actors as attempts to delay or “weasel out” of accountability. This perception led to an escalation, rather than de-escalation, of the conflict.

Next Steps. Despite its inherent artificiality, the simulation captured a broad picture of Iranian behavior in crisis and war. The reluctance to use military power is evident. The preference for resorting to unconventional and proxy force to achieve political or military objectives is clear. The need to restore deterrence and respond to attacks proportionally drives Iranian actions once the fighting starts. The mutual challenges the United States and Iran faced in communicating and understanding each other's intentions and threat perception prevented successful de-escalation.

The question, of course, is to what degree Iranian behavior in the exercise reflects Tehran's potential actions in a real crisis. Together, the participants brought to the simulation some of the most significant US government and nongovernment experience available in analyzing Iranian security and military activities. Their observations should be seriously

weighed. The following sections will attempt to take these initial assessments and compare them with

historical cases to form a working model of why and how Iran employs its hard power.

Historical Patterns: Iran in Conflict

Iran's hesitancy to use its conventional military power across international borders is a defining feature of its strategic behavior. Iran may not have started a conventional war against its neighbors in almost 300 years, but the Islamic Republic of Iran (IRI) used its ground, naval, and air forces in multiple operations and campaigns since 1979, most notably during the Iran-Iraq War. The IRI also seriously considered using major military force in the region, only to finally refrain.

From reviewing the Islamic Republic's historical record and findings from the crisis simulation, what can be discerned as the characteristics of Iran's decision-making to use conventional force? What, in essence, are Iran's redlines to start a military conflict or initiate conventional operations?

Conventional War: Only in Response to Existential Threats

The IRI has not initiated conventional military operations against another state or non-state actor from a "cold start" since 1979. Every overt foreign military campaign Tehran conducted in the past 37 years was either in response to an attack on its territory or an escalation of action within an existing conflict.

This lack of historical evidence makes it difficult to assess when Iran would be the first to use conventional force in a conflict. Such a decision likely has a high threshold, requiring a vital or existential threat to the Islamic Republic's safety and survival. Iran's recent decisions about the conventional use of force bear this assessment out.

Iran-Iraq War. Tehran was certainly on the defensive during the first phase of the Iran-Iraq War, from 1980 to 1982. The Islamic Republic had little choice but to try to defend the state and recapture territory lost to the invading Iraqi forces. Once those goals were mostly achieved by the summer of 1982, the Iranian leadership was faced with a dilemma: whether to accept the broad terms of a UN-proposed ceasefire or continue fighting.

A debate over this decision appears to have occurred in the regime. Ahmad Khomeini, the son of then-Supreme Leader Ruhollah Khomeini, would later claim in an interview that some in the regime had argued for settlement and that Ali Akbar Hashemi Rafsanjani, who was serving as speaker of the Majles and de facto overall military commander under Khomeini, had led the camp in favor of continuing the war. In a 2008 interview, Rafsanjani rejected Ahmad Khomeini's version of events, claiming that military commanders, such as Mohsen Rezaie and Sayad Shirazi, and members of the Supreme Defense Council (SDC), such as Ali Khamenei, Mousavi Ardebili, Mir Hossein Mousavi, and Ahmad Khomeini, collectively determined that while the world powers would not let Iran win the war, it was beneficial to capture strategic territory to force a better bargain with Iraq.¹² Regardless, Rafsanjani's opinion prevailed, and the regime decided to begin a multifront offensive effort against Iraq (Operation Ramadan) in July 1982.¹³

Although the offensive was technically the extension of an existing military conflict, the decision to execute Operation Ramadan—and to continue the war until 1988—offers potentially valuable insights into when Iran will initiate a conventional war of opportunity, rather than a war of necessity against

another state. Rafsanjani's memoirs and other interviews given by key Iranian leaders provide a portrait of the factors that brought the senior leadership to this decision.¹⁴

First were the domestic factors. The Islamic Revolution was just over three years old, and political power inside the regime was still fluid. The initial upheaval in 1979 that brought Khomeini into power had been animated by political actors across the spectrum, from communists to liberals to Islamists.¹⁵ Touchstone events such as the takeover of the US Embassy in November 1979 and the beginning of the Iran-Iraq War in July 1980 served as galvanizing mechanisms for the more radical elements around Khomeini to purge those not fully in line with his policies. Rafsanjani and Khomeini realized that continuing the war could further that process and consolidate power around a core group of clerical, military, and political elites loyal to the supreme leader.

Second were the practical concerns about achieving a strong position to negotiate a settlement with Saddam Hussein. Although the Iranian military had recaptured most of the territory lost to Iraq, some of Saddam's forces remained on Iranian soil. Rafsanjani feared that a peace settlement with the current disposition of forces would leave Iran vulnerable to continued coercive behavior or renewed fighting from Baghdad. Continuing the war meant gaining leverage in the eventual peace.

Third were the supreme leader's ideological ambitions: Khomeini still saw the potential for Saddam's regime to fall to Islamic Revolutionary forces and hoped continuing the campaign in Iraq would bring about new Arab governments modeled on Iran's political system.¹⁶ Rafsanjani may have had a more realistic perspective on the Iranian military's ability to conquer Iraq, but likely took advantage of appealing to the supreme leader's grand aspirations. Continuing the war meant Khomeini's grandest visions could still be achieved.

Rafsanjani's argument likely succeeded because it resonated with Khomeini's own desires to see the defeat and possible overthrow of Saddam Hussein and helped assuage most of his other advisers' realistic fears that dragging on the war would be costly

and ultimately unsuccessful. If Operation Ramadan was the beginning of a war of opportunity, it was only because of an extraordinary combination of domestic political, military, strategic, and ideological factors.

Tanker War with the United States. The IRI's engagement with the United States during the Tanker War is another inflection point that illuminates decision-making about Iran's use of force. Before 1987, the IRGC refrained from attacking US vessels directly, instead targeting Iraqi, Saudi, and Kuwaiti vessels and other shipping that supported Saddam's regime. After the United States decided to enter the conflict more directly in July 1987 with Operation Earnest Will, reflagging 11 Kuwaiti vessels with US colors and pledging to protect oil tankers in the Strait of Hormuz regardless of their flags, Iran was faced with the decision of whether and how to attack these ships.¹⁷

Mohsen Rezaei, then-IRGC commander, advocated for continuing Iran's small-boat strikes against these vessels even though they were now under American protection.¹⁸ Rafsanjani believed such a move would be too escalatory and would risk direct war with the United States. In a television interview he stated, "If Iraq does not attack our ships, we will not respond aggressively toward any [of their] ships, whether they are flagged by the US or by any other country. Of course, we see this act as reprehensible, we oppose it, and we condemn any country that flags their ships with a US flag."¹⁹

Rafsanjani won the argument again. The IRGC focused instead on a mine-laying campaign in the Strait of Hormuz and Persian Gulf targeting Iraqi-allied shipping, including those reflagged by the United States.²⁰ Although less attributable than direct assaults, mining is still considered an act of war. This IRGC campaign can be considered Iran's first, and so far only, decision to use conventional force against the United States. It also points to several key factors that are likely to endure in any future choice to initiate a direct campaign against the American military.

Iran weighed the necessity of continuing a crucial line of operation in the war—pressuring Iraq's ability to sell oil—against the fear of outright conflict with a

superpower. The leadership believed it needed to risk limited escalation with the United States. Too much was at stake if Iran was going to be able to continue the conflict against Saddam to simply stand down after the United States began reflagging ships.

Iran also understood that it did not have escalation dominance. The United States would always be able to increase the employment of its military power to counter anything Iran attempted. Iranian forces, whether the IRGC or the Artesh, were simply no match against the American Navy. The decision to mine was a calculation to blunt the new US threat in the Persian Gulf without provoking a broader confrontation. As the US response showed, however, Iran lost its gamble to manage escalation, as will be discussed in later sections.

Afghanistan in 1998. One of the events most useful for understanding Iranian use of conventional force is when the Islamic Republic almost went to war with the Taliban in 1998. The rise of the Sunni Islamic extremist group in Afghanistan in the mid-1990s pushed the Iranian government to back the Northern Alliance, the Taliban's strongest rival.

When the Taliban threatened Iran's eastern borders in 1996, the SCNS reportedly voted to invade and capture the western Afghan capital of Herat.²¹ Iran rescinded the decision once threat of the Taliban crossing the Iranian border abated. Then, in August 1998, the Taliban killed nine Iranian diplomats when the group overran the Northern Alliance's capital of Mazar-e-Sharif. The Iranian leadership was outraged and worried the Taliban would escalate further.

According to then-IRGC Commander Yahya Safavi, the military quickly deployed two divisions with air support on the border. Safavi drafted an operational plan to advance those forces to, in his words, "annihilate, punish, eliminate them and return."²² The rest of the SCNS's members agreed with Safavi. Supreme Leader Khamenei, however, did not support such action and overrode the council's consensus. He feared an invasion was not warranted since the Taliban had not threatened or attempted to take Iranian territory. Khamenei felt he was also preventing "the lighting of fire in this region which would be hard to extinguish."²³

The IRGC forces instead only conducted a series of significant deterrent live-fire exercises during September.²⁴ When the Taliban attacked an IRGC outpost near the border in early October, Iran repelled the raiders and retaliated in kind by destroying several Taliban camps.²⁵ The crisis did not escalate further.

The contrast between the supreme leader's decision and the SCNS's consensus points to the larger question of the personalization of Iran's use of force calculus. Khamenei's sensitivity to reciprocity of action—the Taliban did not invade our territory, therefore we should not invade theirs—and fears of escalation that restrained his use of force were obviously not shared across the Iranian leadership. If Khomeini had still been alive, for example, Iran may very well have invaded Afghanistan in 1998. These are important considerations for the coming post-Khamenei era.

Iraq in 2014. The IRGC's campaign with its Iraqi proxies to augment the Iraqi armed forces in defense of Baghdad after Mosul's fall to the Islamic State (IS) in June 2014 was initially strictly unconventional. As IS began to directly threaten the Islamic Republic's borders, however, AFGS Chief Major General Hassan Firouzabadi and Artesh Ground Commander Brigadier General Ahmad Reza Pourdastan mobilized a defensive line in western Iran and threatened to conduct decisive action in Iraq if IS came within 40 kilometers of the border.²⁶ In November 2014, the Artesh is believed to have conducted artillery fire in support of Iranian proxy operations in the Iraqi province of Diyala.²⁷

The most remarkable move, however, came when the Artesh's F-4 Phantom fighter jets conducted several air strikes in Diyala.²⁸ Use of the F-4s outside Iran's borders for the first time since the Iran-Iraq War punctuates the seriousness of the danger Tehran faced and gives perspective to subsequent reports that Iran conducted interdiction sorties, reconnaissance, close air support, and combat air patrols from mid- to late-November 2014 in support of Kurdish and Iraqi efforts to retake the cities of Jalula and Saadia.²⁹

Once IS's advance in Iraq stalled and the potential existential threat eased, Iran refrained from

using conventional force. Instead, the unconventional campaign led by Quds Force Commander Qasem Soleimani continued with vigor.

The events during the summer of 2014 and the fall of 1998 drive home the consistent theme that the Islamic Republic has not initiated conventional force beyond its borders unless faced with a perceived existential threat, at least since the end of the Iran-Iraq War. Khamenei's actions arguably demonstrate that any significant military operations should be proportional to the adversary's actions and should avoid unnecessary escalation. It is more challenging to weigh Khomeini's decision-making about the use of conventional force during the Iran-Iraq War.

Although the war was originally a defensive one triggered by Iraq's invasion of Iranian territory, the two choices to shift to an offensive campaign in 1982 with Operation Ramadan and then to enter into a direct confrontation with the US Navy in 1987 by mining the shipping lanes in the Persian Gulf reflect more complex calculations by Khomeini, Rafsanjani, and other leaders to escalate an existing conflict. The ideological fervor that helped fuel Khomeini's desire to push to Baghdad in 1982 is unlikely to be present at the same level in the future. Iran's willingness, though, to escalate at great risk on the battlefield to improve negotiating leverage or defend a critical line of operation likely remains.

Unconventional and Clandestine War: In Defense of Vital National and Ideological Interests

Proxy or covert campaigns have been Iran's most common type of conflict since 1979. As discussed previously in Section I, Tehran's preference for unconventional rather than conventional warfare is clear. Iran's lack of traditional conventional military prowess plus its need to minimize the risk of escalation with regional or world powers pushes Iran to place others, rather than its own soldiers, on the front lines.³⁰ Key questions remain, though, as to the drivers and redlines for Iran's initiation of an unconventional campaign.

In examining Iranian unconventional warfare, this section does not consider the IRGC's day-to-day operations. These activities include fulfilling the IRGC's external mission of promulgating Islamic Revolutionary ideas and building Iran's cultural, political, and military influence in regional countries through creating, arming, and training indigenous proxies or paramilitary groups. Neither does this section weigh discrete acts of terrorism, retaliation, or assassination committed by the IRGC, the MOIS, or their proxies.

This section will also not address Iranian efforts through the IRGC and MOIS to aid nonideologically aligned partner groups solely through funding, arms supply, training, or political support. The IRGC's historical efforts with Hamas in Gaza or the Northern Alliance in Afghanistan are good examples of this phenomenon.

All these activities are valuable for discerning Iranian foreign policy and security objectives but are not necessarily relevant for understanding when Tehran decides to initiate an unconventional war. This section examines only instances of the IRGC directing—or having a significant role in directing—operational decisions in a sustained campaign by its proxies and partners to use force against Iran's adversaries. Reviewing the historical record, six IRGC campaigns fully meet these criteria: against Iraq in the Iran-Iraq War, against Israel in the Lebanese civil war, against Serbian-backed forces in the Bosnian War, against the US-led coalition in Iraq after 2003, against opposition groups in the Syrian civil war, and against the Islamic State in Iraq beginning 2014.*

* At least two other cases may be worth considering: Iran's work with Shia militias against the Soviets and other groups in Afghanistan from the 1980s onward and its support to the Houthi fighters in Yemen leading up to and following the coup against President Abd Rabbuh Mansur Hadi in 2015. IRI political and military support for the Northern Alliance was deep and sustained, especially against the Taliban until the start of Operation Enduring Freedom, although Iranian influence did not extend to playing a consistent role in campaign decision-making. Although Iranian military leaders have begun to speak of the al Houthi movement as part of Iran's "axis of resistance"

Iran's calculations for initiating unconventional conflict can be divided into two broad categories: decisions motivated predominantly by opportunity to advance key foreign policy objectives and those driven predominantly by strategic necessity, at least from Tehran's perspective. Decisions driven by opportunism include actions related to advancing Iran's goals of leading the Muslim world and spreading its Islamic Revolutionary ideology. Decisions driven by necessity reflect fears that an adversary may pose an existential threat to either the Iranian state or regime interests.

The construct of unconventional campaigns motivated by either opportunism or necessity is not a mutually exclusive one. Ideological goals and regional power aspirations can infuse the IRGC's decision-making even in wars of necessity, and wars of opportunity could eventually place so many of Iran's national interests at risk that they become almost existential. Iran rarely acts with only one motivation. However, discerning the predominant trigger or redline at the beginning of these six campaigns is an important distinction to make.

Unconventional Wars of Opportunity: Lebanon.

The IRI's decision to conduct its first unconventional war, the IRGC's engagement in the Lebanese Civil War, which led to the creation of Lebanese Hezbollah, was the result of a choice not to pursue a conventional war against Israel in Lebanon. On June 6, 1982—one day after Israel invaded southern Lebanon—a delegation consisting of the Iranian defense

along with Hezbollah and other proxies groups, the IRI's commitment to the conflict has not yet reached the point observed in Tehran's other unconventional wars. The Houthis continue to resist being seen as political or military proxies of Iran. The IRGC has also not shown a willingness or capability to guide or direct the Houthi's strategic or operational decisions. US policymakers should work to prevent the Iranian support for an ongoing conventional conflict from becoming the IRGC's next unconventional campaign of opportunity. See Katherine Zimmerman, "Signaling Saudi Arabia: Iranian Support to Yemen's al Houthis," AEI's Critical Threats Project, April 15, 2016, <http://www.criticalthreats.org/yemen/zimmerman-signaling-saudi-arabia-iranian-support-to-yemen-al-houthis-april-15-2016>.

minister, the IRGC commander, and the Artesh commander flew into Syria to meet with Syrian President Hafez al-Assad.

Iranian Foreign Minister Ali Akbar Velayati confirmed on June 9 that the Iranian meeting with Assad was to assess the amount of assistance Syria required and to offer to enter the war if Syria and Lebanon requested it. He stated that the fight against Israel was "part of the strategic aims of the Islamic Republic."³¹ However, an operation of this scope and scale never materialized because Iran's calculation for intervention in Lebanon became intrinsically linked to the decision to ultimately execute Operation Ramadan and continue the war with Iraq.

On June 11, five days after its invasion into Lebanon, Israel announced a unilateral ceasefire. The same day, Iraq announced a ceasefire and offered to withdraw its forces from Iranian territory. Syria accepted the Israeli offer, although it lasted only a few days, and initially passed on the Iranian proposal of a large force deployment. Iran responded to the Iraqi offer by demanding free transit of Iranian troops through Iraqi territory to aid the fight in Syria and Lebanon.³² The Iraqis accepted, but the Iranian senior leadership remained initially undecided about what to do in either theater.

Khomeini and Rafsanjani, as discussed in the previous section, wanted to continue prosecuting the Iraq War and make the Syria-Lebanon front a secondary one.³³ Others, such as President Khamenei and most of the military leadership, wanted to end the Iraq conflict, concentrate on domestic rebuilding and stability, and focus external revolutionary and military activities more toward Israel and the Levant.

After a crucial June 22 meeting of the SDC, Iran announced it was committed to the downfall of the Iraqi Baathist regime and that it would not send a large military force to Lebanon until the war with Iraq was won. However, Tehran still wanted to contest Israel in Lebanon and exploit the opportunity to build a political and religious movement among the Lebanese Shia modeled on Islamic Revolutionary principles. So instead of IRGC and Artesh brigades, Iran sent approximately 1,500 IRGC officers to Lebanon with Syrian permission to help build and direct a

Shia militia proxy force to fight the Israelis, the origin of Lebanese Hezbollah.³⁴

Multiple factors drove Iran's decision to pursue this course of action. An intervention in Lebanon presented the new Islamic Republic's first opportunity to directly challenge Israel. Fulfilling a key tenet of the regime's revolutionary ideology, anti-Zionism, was an essential symbolic action if Tehran wanted to be seen as the leader of the Islamic world. Secondly, establishing a foothold in the Levant would help Iran strengthen and manage its new alliance with Syria against Iraq and allow Iran to project power and deter Iraq's regional partners. Some form of war made sense.

However, Iran opted for an unconventional deployment. Assad's resistance to a large Iranian military footprint obviously limited options for a conventional deployment, but Khomeini's personal motivations also kept him from taking the less risky path of settling with Saddam Hussein to focus on challenging Israel. Khomeini's desire to exact retribution from Baghdad for its original invasion, his overconfidence in Iranian military capabilities after the successful 1982 spring offensives, and his belief that establishing an Islamic republic in Iraq was feasible and necessary overrode the prudent objections of his military leaders and advisers.

Perhaps the most crucial factor, though, was that Israel's invasion of Lebanon and the potential risk to Assad's regime did not existentially threaten Iran. Iraq was, and remains, of higher strategic importance, and it will always pose the greatest threat to Tehran if governed by a hostile regime. If Syria and Lebanon were of existential importance, Iran may have overcome Assad's resistance and deployed fighting units in addition to trainers and advisers.

Unconventional Wars of Opportunity: Bosnia.

The IRGC's decision to conduct an unconventional campaign in Bosnia during the 1990s followed somewhat similar calculations. After violence broke out in 1991, Bosnian Muslim fighters were under assault from Serbian- and Croatian-backed paramilitaries. Iran had another opportunity to demonstrate its willingness to defend Islam.

Through the mid-1990s, the IRI shipped approximately 14,000 tons of weapons to Bosnian Muslim units, valued at between \$150 and \$250 million.³⁵ More importantly from an operational perspective, US military officials reported approximately 200 IRGC troops in Bosnia as of early 1996 and possibly more than 200 in 1997.³⁶ Although there were some indications that the IRGC personnel operated as independent units, the Iranian forces' primary mission was training, equipping, and advising the Bosnian forces.

The Iranian presence in Bosnia also gave the IRGC and proxies such as Lebanese Hezbollah a potential base for future clandestine or covert operations in Europe. A major IRGC task was assisting and integrating with the Bosnian government's intelligence operations. This reflects a pattern seen at a much larger scale in Iraq after 2003 and Syria after 2011 of an Iranian objective to build a "deep state" loyal to Iran inside a partner country's security apparatus. The IRGC's penetration of the Bosnian government also had another crucial role: to infiltrate and gather intelligence on US and NATO operations.

In summary, both Lebanon and Bosnia were wars of opportunity for Iran, driven by ideology first and strategic considerations second. In Lebanon, the conflict was kept below the conventional threshold by the absence of an existential threat and the supreme leader's personal perspectives. In Bosnia, the opportunity to expand the Islamic Republic's ideological influence in Europe was supplemented by Iran's chance to improve its military intelligence capacity against the United States and its allies while gaining an operational foothold on the continent. However, Bosnia did not represent any kind of existential or even strategic threat to Iran, and there was no impetus for conventional or even significant unconventional deployments. Bosnia was a war of opportunity, albeit a small one.

Unconventional Wars of "Necessity": Iraq.

The most important of the Islamic Republic's unconventional wars over the past 35 years occurred in Iraq and Syria and at a larger scale than the opportunistic campaigns in Lebanon and Bosnia. The fights in Iraq

and Syria were in response to perceived threats that placed the Iranian regime at risk. Ideological considerations, while important, were secondary in Tehran's decision-making. Unsurprisingly, the strategic calculations for these wars of perceived necessity were much more straightforward.

During the Iran-Iraq War, Iran's new offensive campaigns against Iraq after the proposed ceasefire in 1982 (beginning with Operation Ramadan) failed to achieve most of their objectives. Supreme Leader Khomeini had overestimated the Artesh's and IRGC's capacity to continue the fight into Iraqi territory, and the Iranian military was soon bogged down on almost all fronts.

Facing a difficult and bloody stalemate, the IRGC turned to recruiting—or even forcing—the Iraqi Shia in their prisoner of war (POW) and dissident refugee camps to become guerilla fighters.³⁷ Many in the dissident camps were members of the Iraqi al Dawa Shia Islamist party or their new offshoot party, the Supreme Council for the Islamic Revolution in Iraq (SCIRI), which had adopted Iranian revolutionary ideology. In February 1983, IRGC officers began organizing these disparate groups and guerillas into what would eventually become the Badr Corps and placed them under the command of SCIRI's leader, Ayatollah Mohammad Baqir al-Hakim.³⁸

These irregular forces initially numbered around 500 personnel and would be sent to fight on the front lines with the IRGC or conduct subversion and sabotage inside Iraq.³⁹ Their first reported engagement was in June 1983 during the campaign against the Iraqi city of Basra, where they served for three months under the command of an Iranian general.⁴⁰

The IRGC continued to recruit or coerce POWs and dissidents through the remainder of the Iran-Iraq War, growing the corps to a reported 6,000 personnel in four divisions, two brigades, and other units.⁴¹ However, the Badr Corps' supporting campaigns under the IRGC had only limited effectiveness on the battlefield or in its attempts to destabilize Saddam Hussein's regime.⁴²

Despite its relative lack of operational success during the 1980s, the Badr Corps would become a crucial long-term asset for Iran in its unconventional and

clandestine strategies in Iraq. Its creation in 1983 and subsequent growth were driven by a sense of necessity as Iran faced an increasingly impossible war of attrition. Tehran also viewed Badr—as the military wing of its main Iraqi political instrument, SCIRI—as crucial to its ideological goal of eventually establishing an Islamic Republic in Baghdad. SCIRI and Badr were developing characteristics of an Iraqi version of Lebanese Hezbollah.

In February 1991, up to 5,000 Badr operatives—under IRGC control and supervision—entered Iraq as SCIRI tried to commandeer the Shia uprising in southern Iraq following the end of US coalition-led Operation Desert Storm.⁴³ Iran's exact role in initiating and guiding the Badr operations in Iraq is unclear. Badr's efforts, though, were crushed between the effectiveness of Saddam Hussein's internal security forces, Iraqi suspiciousness of Tehran's control of the corps, and the lack of sufficient external support from Iran or other foreign powers.⁴⁴

Why Iran did not more effectively back its Badr proxy in 1991—despite the opportunity to finally achieve a major strategic goal of establishing a politically and ideologically aligned government in Baghdad—remains uncertain. US intentions to support the uprising were unclear, and Iranian leaders were likely deterred by potential regional backlash from Sunni Arab states. Tehran's perception that Saddam Hussein was severely weakened also likely contributed, as a teetering regime in Baghdad did not present the sort of existential threat that would have necessitated Iranian action.

Recognizing the combat operational limitations of the Badr Corps, the IRGC focused in the next decade on growing the force into a more sophisticated clandestine organization, running infiltration, sabotage, and other operations into Iraq to destabilize Saddam's regime and increase Iran's reach in the country. After the September 11, 2001, attacks, the IRGC and Badr reportedly began to plan for a new unconventional campaign against Iraqi government forces in anticipation that the United States might attempt to overthrow Saddam. The United States had kept open a degree of communication with SCIRI since the First Gulf War, which allowed for some coordination

between Washington and the Badr Corps—in addition to other Iraqi exiled groups in Iran—when Operation Iraqi Freedom commenced in March 2003.⁴⁵

The IRGC did not choose to fully exploit the opportunity presented by the Shia uprising in 1991, but the possibility of a sustained US presence or extension of the conflict into Iran led Iran to believe in 2003 that it had little choice but to conduct an unconventional campaign in Iraq. IRGC operations in Iraq from 2003 to 2011 can be divided into three phases: removing Saddam Hussein and regime components, ensuring dominant Iranian influence in the new Iraq, and deterring and driving out US and coalition forces. In each phase, Iran pursued what it believed were existential goals to help ensure the Islamic Republic's survival, supported by the opportunistic objectives of continued expansion of Iranian influence, power, and ideology. This analysis focuses on Iran's unconventional and clandestine use of force throughout this period, although the IRGC campaign also incorporated significant political and even economic components.

In the first phase, the IRGC guided and supported Badr Corps operations to help overthrow Saddam Hussein, with some coordination with US and coalition forces.⁴⁶ Following Saddam's fall, Badr personnel also conducted an assassination campaign against former senior Baathist figures, especially those who had held military or intelligence leadership roles.⁴⁷ The IRGC decision to send in Badr Corps was a logical and opportunistic one, created and facilitated by US actions.

Existential motivations, however, ultimately drove the IRGC's calculations once it was clear that the coalition was committed to the invasion. The fall of Saddam would be a significant boon to Iranian strategic interests, of course, but the regime that emerged in his wake would matter dearly to Tehran. The threat Iraq posed to Tehran could go from bad to worse if the Baathists found a way to return to power or if they were replaced by a regime aligned with Iran's traditional adversaries, especially if the United States backed the new government. Iran believed it had no choice but to play as strong a role as possible in filling the vacuum left by Saddam's departure.

These calculations drove the next phase of the IRGC campaign, shaping the new Iraq. With US support, SCIRI and Dawa became part of the new Shia-dominated political power structure in Baghdad. Badr transitioned into a predominantly political organization, attached to SCIRI, and began to integrate its leadership in the emerging Iraqi security forces. As Badr "normalized" and deep Iranian influence was increasingly secured in Baghdad, the IRGC needed to use different proxy and clandestine organizations to fight opponents of the new Shia-led government and apply external pressure on that government when its policies threatened Iranian interests.

Iran's primary partners in this mission were the large Iraqi nationalist Shia militia Jaysh al-Mahdi (JAM) and its more elite offshoots, Asa'ib Ahl al-Haq (AAH) and Kata'ib Hezbollah (typically referred to as special groups), which were more directly aligned with the IRGC and Iranian ideology. These organizations helped fight the Sunni insurgency and al Qaeda in Iraq (AQI), defended Shia populations during the sectarian civil war in 2006–08, contested Baghdad's attempts to centralize power, coerced the Iraqi population before key elections, and conducted the third phase of the IRGC's unconventional campaign: driving out US and coalition forces.

Although Iran originally needed the coalition's military power to overthrow Saddam, it certainly feared the potential threat of having 150,000 US troops on its western border and the strong Western military positions in Afghanistan and the Persian Gulf.⁴⁸ Tehran's memorandum to the US State Department in 2003 offering to halt its nuclear program and reframe the US-Iranian relationship, if considered authentic, would be a testament to the Iranian leadership's existential dread after the invasion.⁴⁹ However, as the Sunni insurgency bogged down the coalition, fears of any regime threatening attacks from US forces in Iraq would have subsided in Tehran. Still, a large, potentially permanent US troop presence in Iraq still represented an unacceptable risk to the Iranian government.

The IRGC and Lebanese Hezbollah began in earnest to train and equip their new partners in Iraq to slowly bleed coalition troops. The campaign's

first major push occurred during the summer of 2005, featuring the Shia militias' first extensive use of explosively formed projectile (EFP) weapons. Future waves of attacks against US and coalition troops often precluded major elections or Iraqi government decisions addressing how long the coalition forces would stay in the country. In the course of the campaign, nearly 500 US military personnel were killed or injured because of Iranian activities,⁵⁰ with 196 US personnel killed and 861 injured in EFP attacks.⁵¹ With the departure of the last coalition troops at the end of 2011, the IRGC had completed its three primary objectives: toppling Saddam Hussein, establishing an aligned government in Baghdad that was deeply penetrated by Iranian proxy actors, and ensuring the United States had no permanent combat power in the country.

Throughout this conflict, the opportunity to create a friendly Iraqi government deeply influenced by Iranian political, ideological, and security interests was a crucial supporting driver for Tehran's decisions to use force. There was, however, no apparent desire to risk a conventional confrontation with any adversary in Iraq after 1988. This is an understandable position given the ravages of the Iran-Iraq War and the fear of contesting American military superiority.

An Iraq under either Saddam or American dominance represented an existential threat that must be addressed, but neither Saddam nor the United States directly threatened to militarily attack Iran during this period. Thus, while the danger may have been existential from Tehran's perspective, it was not imminent. A complex, unconventional proxy war tailored to evolving political and military circumstances was Tehran's solution.

Unconventional Wars of "Necessity": Syria. The March 2011 uprising against President Bashar al-Assad risked all of what the Islamic Republic built in the Levant since the revolution. While Tehran's original intervention in 1982 and alliance with Syria was primarily driven by opportunity, preserving its most important proxy created from that war—Lebanese Hezbollah and the infrastructure and political cover provided to it by Damascus—became an existential

problem. Iran now depended on Lebanese Hezbollah and Syria to deter Israel and its Western allies and provide strategic depth.⁵² Secondly, if Tehran lost its ability to effectively support Lebanese Hezbollah and the Palestinian opposition groups, it would also lose perceived legitimacy to lead the Islamic-world opposition to Israel and Zionism.

Given these factors, Iran would go to almost any length to preserve its interests in Syria. The IRGC deployed advisers to Damascus by May 2011 to help the regime suppress the protests. Over the past five years, Iran had escalated its campaign in Syria as Assad's efforts to regain control of his country continued to fail. However, as Lebanese Hezbollah fighters and even Russia strike aircraft intervened in Syria, the IRGC strove to keep its involvement below the threshold of its units engaging direct combat.⁵³

Why Iran did so is an important question. One likely factor is Iran's usual preference to have its proxies and partners do the fighting for it whenever possible. This minimizes risk and avoids potential escalation with Israel, Saudi Arabia, Turkey, and other actors in the region.

Another possible reason is that, just as Hafez al-Assad's government resisted a full Iranian military intervention during the Syrian and Lebanese conflict with Israel in 1982, members of Bashar al-Assad's regime may have opposed more overt assistance from the Islamic Republic.⁵⁴ Damascus needed Tehran's assistance, but military officers may have resented an overt Iranian takeover of the fight.⁵⁵

A third part of the explanation for Iran's behavior lies in Iran's apparent need to manage both domestic political support and internal leadership consensus for its efforts in Syria. During the first two years of the conflict, Tehran attempted to hide the IRGC's growing activities to support Damascus. As the funerals back home for IRGC officers and volunteers slain in the war steadily increased—and as Lebanese Hezbollah conducted its major deployment into Syria in May 2013—Iran began to publicly embrace its role.⁵⁶ The Iranian media and the IRGC couched the mission as advising Assad in fighting foreign-backed terrorists and as defending the Sayyidah Zaynab shrine in Damascus, which holds the

tomb of Prophet Muhammad's granddaughter and is holy to Shia Muslims.

Domestic opinion typically affects Iranian foreign policy minimally. The mounting death toll of IRGC officers helping to manage frontline forces of Shia militias, Syrian government, and Lebanese Hezbollah fighters resulted in the highest casualty rate among Iranian military personnel since the 1980s. Continuing casualties in an open-ended conflict would certainly be weighing on Khamenei and other elites who are cognizant of how vanishing public support helped force an end to the Iran-Iraq War in 1988. Tehran's commitment to preserving its position in Syria is unwavering, but there are significant incentives to avoid a more conventional military intervention if at all possible.

It is important to understand the February 2016 reports that the IRGC conducted its first armed drone strikes in Syria in this context.⁵⁷ Such operations (attributable strikes executed by Iranian forces on foreign soil) would constitute Iran's first clear use of conventional military force in the Syrian conflict. Iran, like the United States, likely finds drone strikes a relatively risk-free use of conventional force, jeopardizing few if any Iranian lives and minimizing the potential for escalation. The IRGC still wants to avoid deploying actual combat units or manned aircraft at this point. If the war continues to intensify, though, Iran may finally be willing to cross the threshold into a full conventional military intervention. Preserving Tehran's position in Syria remains existential.

The fall of Mosul in 2014 to the IS put Iran into an immediate state of crisis.⁵⁸ Since US troops departed Iraq in 2011, the IRGC focused on deepening its influence at all levels of the Iraqi government and security forces. With the IS's advance, not only was Tehran's grand project in Iraq now at stake, but also Iran's own borders were at risk from a Sunni extremist army. Within days, the Iranian leadership decided to launch a major unconventional campaign, sending IRGC officers into Iraq to assist the Iraqi security forces in defending Baghdad; reactivating their primary proxy groups, AAH and Kata'ib Hezbollah; and helping the Iraqis organize a large number of militias into the umbrella Popular Mobilization Forces.⁵⁹

As noted earlier, the IRGC and the Artesh also made clear their intent and willingness to launch a conventional campaign to repel ISIS if it directly threatened Iran's territory. Several Iranian F4 air strikes and artillery barrages conducted while defending Diyala Province (between Baghdad and the Iranian border) backed up this deterrent message.

The calculus for Iran was clear. ISIS presented an existential threat to Iran, and the most immediate challenge was protecting its position in Iraq. Tehran decided to pursue an immediate and aggressive unconventional campaign, while preparing to escalate to a conventional one if necessary.

Iran also demonstrated how it strategically prioritizes Iraq over Syria. The IRGC redeployed a number of the Iraqi Shia militias and proxy groups sent to support Assad back home to augment the new Iraqi campaign. Subsequently, in early 2015, as Assad's military situation deteriorated and the front against IS in Iraq stabilized, the IRGC shifted some Iraqi groups back to Syria.

Iran's relatively conservative approach to using conventional and unconventional force should not be confused with having a pacific foreign policy—quite the contrary. The IRGC's day-to-day development of proxy groups, arming of partners, co-option of states, and expansion of terrorist or retaliatory capabilities worldwide is a major, if not primary, source of instability and sectarian violence in the Middle East. As these efforts mature, the groups and governments under Iran's sway can become strategically vital to preserve Iranian security and, in turn, new *casus belli* for Iran if threatened.

Lebanese Hezbollah was originally the product of an elective war for Tehran. Now, maintaining the ability to support the group, which is the bedrock of the IRI's "axis of resistance" in Lebanon, Syria, and Iraq, is the primary reason Iran felt compelled to conduct a complex unconventional campaign to keep Assad in power. The IRI's effort to retain its position in Syria fueled a catastrophic civil war that unleashed sectarian conflict, birthed the IS and other Salafi jihadi groups, and created a new army of regional paramilitary groups under the IRGC's umbrella.

Policymakers should keep this cycle in mind, especially in theaters such as Yemen. The first priority

should be to prevent Iran from building these groups and partner capabilities in the first place.

An Emerging Iranian Cyber Doctrine?

In addition to its conventional and unconventional military capabilities, Iran found great utility in conducting various cyber activities to bolster its national security agenda and enable it to respond to perceived existential crises. Iran is typically considered one of the more sophisticated states with regards to cyber activities, behind the United States, China, Russia, and Israel.

Major Iranian cyber activity began in earnest in the early 2000s, typically in the form of hacktivism and nationalist-focused website defacements. Iranian hacking abilities have rapidly improved in the ensuing decade and have been used in devastating fashion on at least three occasions: the 2011 Comodo and DigiNotar certificate authority thefts, the 2012 “Shamoon” attack on Saudi Aramco, and the 2012 distributed denial-of-service attacks on US banking institutions. The last received significant press coverage in March 2016, following the US Department of Justice’s announcement that it had indicted seven hackers associated with the Iranian government.⁶⁰

Like most nations, the Islamic Republic does not maintain a clearly defined strategy for when it engages in cyber operations, but campaigns that have been attributed to Iran can serve as data points to better understand how and why it engages in such activities. While the conventional defense of the Islamic Revolution remains a key focus of Tehran, exploring these three examples of Iran using cyber activities in retaliation for economic, political, or covert attacks on the regime can help elucidate the evolving direction of the regime’s war-fighting policy.

“Twitter Revolution.” Iran’s 2011 Comodo and DigiNotar certificate authority thefts are rooted in the context of the Islamic Republic’s contested political sphere. The June 2009 protests in opposition to Mahmoud Ahmadinejad’s fraudulent election revealed perhaps an even greater threat to Iranian national security than the United States: the Iranian people.

Across Iran, Ahmadinejad’s 63 percent landslide reelection was widely perceived as achieved through fraud and election tampering, leading thousands of Iranians to take to the streets in protest of having their vote effectively stolen by the Iranian government. “Where is my vote?” quickly became more than just a rallying cry for the hundreds of thousands of Iranians; it became an internet meme.

The Iranian government quickly learned just how effective social media platforms such as Twitter, Gmail, and YouTube were for coordinating protests, rallying the disenfranchised, and fomenting dissent against the Iranian government. The protests and activities became such a problem for the regime that it resorted to the tailor-made tool of all dictatorships and shut down internet access throughout the country.⁶¹

After control was regained throughout Iran after the Green Revolution, the regime realized it had a major problem. Simply limiting internet connectivity throughout the country was no longer sufficient, and outright denying a modern society access to social media could lead to problems in its own right. The regime had to find a way to covertly monitor its citizens’ perceived seditious activities.

A major virtue of internet communication is that provocative conversations occurring via email and private messages are not easily monitored. Groups of people can easily foment dissent through the written word. Without the ability to see these private conversations, the Iranian government had to find a creative way to spy on its citizen’s private online communications. This effort would be led by an individual, or a group of individuals, going by the name “Ich Sun.”⁶²

On March 15, 2011, the certificate authority (CA) Comodo announced that it had fallen victim to an intrusion originating from Iran. CAs such as Comodo serve as authorities that confirm a website’s legitimacy to those trying to access it. CAs issue secure signing certificates to websites so users can be sure they are accessing their intended destination, rather than an imposter website. Typically, web browsers will alert a user when they go to a website that does not contain a legitimate signing certificate or if a website signs its own certificate.

Ich Sun claimed to be able to infiltrate a CA's hardware security module and issue legitimate signing certificates for websites that look like Gmail, Facebook, Twitter, and Yahoo, but are really controlled by the Iranian government.⁶³ In the case of Comodo, nine secure signing certificates were fraudulently issued for Google, Gmail, Yahoo, Skype, and Mozilla.⁶⁴ By September 2011, it was revealed that 500 additional signing certificates were stolen from the Dutch CA DigiNotar.

The Dutch Security firm Fox-IT estimated that because of the Comodo and DigiNotar thefts, more than 300,000 Iranians citizens had been unknowingly exposed to man-in-the-middle spying efforts by the Iranian government before the fraudulent certificates were revoked.⁶⁵ Even after the certificate revocations, these Iranian citizens would still be vulnerable to the regime's espionage because of the almost-certain compromising of username and password information.

This massive spying effort can be viewed as the Iranian government's recognition that repelling modern technological threats to the regime requires a significant investment in defensive and offensive cyber capabilities. This prioritization of the internal threat of sabotage and subversion posed by foreign powers from so-called soft war over conventional attacks is reflected in frequent comments by the supreme leader and key military commanders, as well as manifested in the Islamic Republic's new Five-Year Development Plan for 2016–21.

Stuxnet, Shamoon, and Effects on Iranian Cyber Strategy. The Islamic Republic believes that from 2007 to 2011 the United States conducted one of the most sophisticated and unprecedented cyber campaigns the world has ever seen.⁶⁶ Specifically designed to target the industrial control systems of the Iranian nuclear program, the Stuxnet virus is considered one of the most elegant and physically destructive computer viruses ever launched at a rival nation.

Stuxnet was designed to specifically target a subset of industrial control systems known as supervisory control and data acquisition (SCADA) systems. SCADA systems function by collecting operating

information for industrial systems to allow remote control for networks of industrial processes. These types of processes are found all throughout modern societies, including in waste management systems, electrical networks, manufacturing industries, oil and gas companies, and nuclear power plants.⁶⁷ Stuxnet operated by collecting valuable intelligence about the Iranian nuclear program and destroying specific types of centrifuges used in Iranian nuclear facilities.

The never-before-seen nature of the Stuxnet attack caused shockwaves in the network security and world communities. Because the United States was the prime suspect for launching Stuxnet, many in the network security community believed the floodgates were opened to a new type of cyber conflict in which nations would use cyberattacks to physically damage infrastructure and possibly lead to a loss of life.⁶⁸ Retaliation for Stuxnet was inevitable, although it was widely feared the retaliation would be in kind and that America's critical infrastructure was a prime target.

Surprisingly, the Iranian reaction was not to launch a wave of SCADA attacks against the United States. This is likely the case for several reasons, including the marginal cost for such an attack, the unlikelihood of gaining access to American critical infrastructure, and the inevitable risk that a Stuxnet-like retaliation could escalate into an uncontrollable conflict. It is assumed that Stuxnet cost the United States hundreds of millions of dollars, entailed years of development, required deep knowledge of the Iranian nuclear infrastructure and individuals associated with the program, and demanded the development of several novel methods for delivering a virus into Iran's industrial network.

The Iranians realized that launching a large-scale yet totally covert SCADA attack as a response to Stuxnet was unnecessary. Instead, they responded with a more conventional cyberattack. On August 15, 2012, the virus known as "Shamoon" was deployed against Aramco, Saudi Arabia's national oil company.⁶⁹ By the time the threat was totally mitigated, Shamoon had taken control of and effectively destroyed more than 30,000 computers used in Aramco's day-to-day operations.⁷⁰

The manner in which the Iranians obfuscated their Shamoon retaliation for Stuxnet is particularly

interesting and parallels the Iranian preference for plausible deniability in its more holistic military actions. Shamoon contained components similar to Flame, another piece of malicious code deployed against Iranian oil and nuclear assets.⁷¹ As Iran's National Computer Emergency Response Team, the Maher Center likely boasts some of Iran's most skilled government-sponsored hackers, who would likely be able to deploy aspects of Flame in any campaign.

In addition to containing portions of the Flame virus, the attack was claimed by a group purporting to be an Arab organization opposed to Saudi Arabian meddling in Syria and Bahrain.⁷² But deep inside the Shamoon code laid a clue as to the organization's true intention: a picture of a burning American flag.⁷³

A Cyber Response to Conventional Means of Persuasion. Throughout late 2012, major US banking institutions fell victim to persistent denial-of-service attacks causing major disruptions at JP Morgan, Citigroup, Wells Fargo, and Bank of America.⁷⁴ A previously unknown hacking organization named the Cyber Fighters of Izz ad-din Al Qassam claimed credit for the attacks.⁷⁵ The purportedly Arab organization offered an odd justification for their attack, the movie *The Innocence of Muslims*.⁷⁶

The intensity and persistence of the denial-of-service attacks led many cybersecurity experts to conclude that only a nation-state could be the true culprit. Soon after, it was determined that Iranian hackers with government support were behind the banking attacks in retaliation for US-led banking sanctions that targeted Iran's nuclear program.⁷⁷ With this pronouncement, Operation Ababil, as it was called by the Qassam Cyber Fighters, became a major Iranian retaliation for real-world actions against the Islamic Republic.

Broader Implications. It is unclear if Operation Ababil suggests a doctrinal change in Tehran indicating

that cyber responses are a part of an appropriate response to what it perceives to be aggressive adversarial activity, but it did share many hallmarks to how Iran responds to malicious activity: plausible deniability, a clearly defined target where a message would be well understood, and basic obfuscation efforts to dissuade retaliatory actions. Almost certainly, if Iran had responded to US-led banking sanctions with a terrorist attack by one of its proxy organizations, the United States would be forced into a kinetic response that could quickly spiral into a larger conflict.

Iranian cyber strategy is still nascent. The concepts driving Tehran's cyber defense approach, if it has any such explicit strategy, are likely straightforward. Iran made clear that it needs to prioritize cyber defense and internal control, as it continues to fear US and Israeli covert operations and perceived seditious behavior in the Iranian population.⁷⁸ Given fears of regime stability, especially in the wake of greater openness to world markets following the implementation of the JCPOA, we should expect Iran to invest significant resources in protecting and monitoring its cyber infrastructure.

Tehran's emerging cyber offensive doctrines appear to be more nuanced, but they fit in the larger framework of how Iran sees the use of covert or clandestine force. Cyber is clearly a valued tool for retaliation, especially when it can provide a perceived effective response that does not risk the same level of escalation that a conventional or terrorist attack would. Iran also sees the need for cyber to be a component of deterrence from clandestine or covert attacks from either the cyber or non-cyber realms. The difficulty is Iran's cyber capabilities are still insufficient to really match those of the United States, Israel, Russia, or China. We should expect Iran to focus on bringing its cyber warfare capacity up to world standards and, most concerning, to continue efforts to demonstrate its improving cyber power.

Escalation and De-Escalation in Conflict

Once Iran begins either a conventional or unconventional campaign, the most important decisions involve how much and what kind of force the military should employ to achieve Tehran's goals. The calculations of whether or when to intensify or scale back a campaign are tied closely to the importance of the desired military objectives, weighed against the perceived intentions and relative power of the adversary Iran is fighting.

With a peer regional or substate opponent, such as Saddam Hussein's Iraq or the Syrian opposition, restraints on escalation are necessarily less and appear to be driven largely by relative progress on the battlefield. Against a more powerful regional actor or global power, such as Israel or the United States, the calculations will be different. States with more advanced conventional capabilities, and especially those that possess nuclear weapons, retain escalation dominance in any conflict with Tehran. Iran recognizes that a fight with a technically superior opponent can go only so far, especially when a nuclear power is involved.⁷⁹

The IRI's escalation and de-escalation behavior in conflicts with the United States is predominantly tied to perceptions of Washington's intentions and willingness to employ greater levels of force. This tends to create a pattern of continual limit testing as Iran conducts a campaign, either conventional or unconventional, until the United States escalates in a way that Iran is unwilling or unable to match. Iranian de-escalation can be quite rapid after that point.

Iran's hesitancy to provoke the full conventional power of the United States was on stark display during the crisis simulation. That behavior can also be seen in the two most relevant historical case

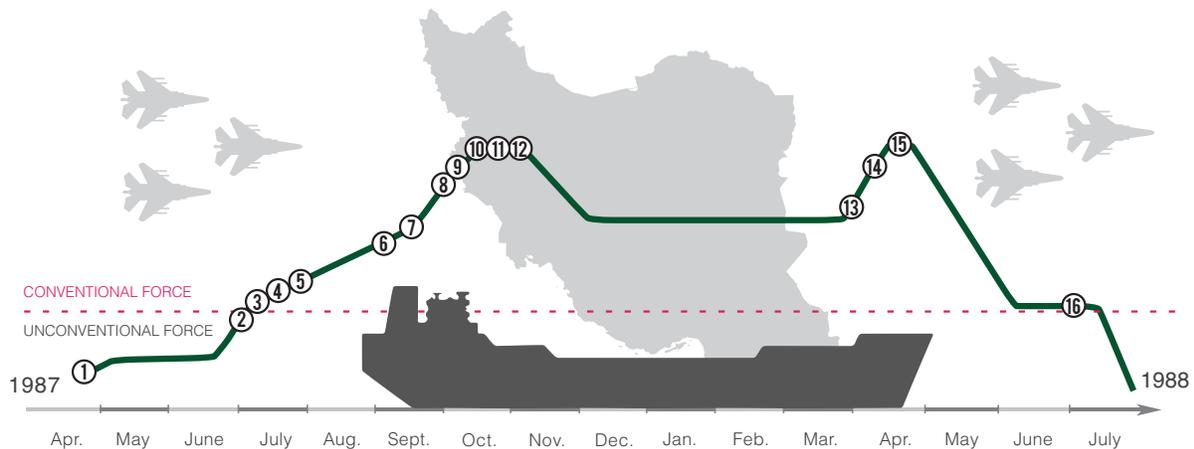
studies, the Tanker War in 1987–88 and the Iraq War in 2003–11. The Syrian civil war, from 2011 to the present, offers an alternative example of steady escalation driven by Iran's nearly unconditional commitment to preserving an allied regime in Damascus and enabled by the lack of a militarily equivalent or superior opponent. These are perhaps the most useful examples to understand Iranian decision-making through the arc of conflict.

The US-Iran Tanker War

When the United States began reflagging Kuwaiti ships in July 1987 as part of Operation Earnest Will, it was an escalation of American involvement in the Iran-Iraq War, although not of military force. The IRI was faced with a stark choice of whether to maintain its campaign against Iraqi-allied shipping and risk US military action against its interests and territory or to stand down and let Iraq sell its oil and resupply unmolested. In essence, Iran had to escalate or de-escalate. Tehran chose the former, but with careful calibration.

IRGC Commander Mohsen Rezaei advocated for continuing direct attacks against Kuwaiti, Saudi, or other Iraq-allied ships, even if the United States reflagged them. De facto overall military commander Ali Rafsanjani advocated for a more indirect campaign by mining the shipping lanes in the Strait of Hormuz and Persian Gulf.⁸⁰ Supreme Leader Khomeini agreed to Rafsanjani's less provocative course, although this did not stop Rezaei from eventually directing the IRGC to attack ships, possibly without Rafsanjani's permission.⁸¹

Figure 2. Conflict Escalation: US-Iran Tanker War, 1987–88



① **APRIL 1987**

First Iranian speed boat attack on tankers transiting the Persian Gulf.

② **JULY 1987**

United States launches **Operation Earnest Will** and begins reflagging of Kuwaiti oil tankers.

③ **JULY 1987**

IRGC Commander Mohsen Rezaei argues for directly attacking US-flagged ships. Rafsanjani and Khomeini order a mining campaign instead.

④ **JULY 1987**

IRGC Commander Mohsen Rezaei argues for directly attacking US-flagged ships. Rafsanjani and Khomeini order a mining campaign instead.

⑤ **JULY 31, 1987**

IRGC infiltrates the annual hajj procession in Saudi Arabia. The Saudi response results in the deaths of 275 Iranian citizens.

⑥ **SEPTEMBER 1987**

First nighttime speed boat attacks on Kuwaiti tanker *Al Funtas*.

⑦ **SEPTEMBER 21, 1987**

United States spots the *Iran Ajr* laying mines in the Persian Gulf. US forces scuttle the minelayer.

⑧ **OCTOBER 2, 1987**

Iranian naval forces attempt attack on Saudi and Kuwaiti oil platforms and Saudi desalination facilities. US operations and inclement weather prevented the operation.

⑨ **OCTOBER 8, 1987**

Iran's second attempt at retaliation for the Haj incident is intercepted by US operations and aborted.

⑩ **OCTOBER 16, 1987**

Kuwaiti oil tanker *Sea Isle City* is hit by a Silkworm missile fired by Iran from the Iranian-captured al-Faw peninsula in Iraq.

⑪ **OCTOBER 19, 1987**

The United States launches **Operation Nimble Archer**. US forces attack and destroy two Iranian oil platforms at Rostam in retaliation for the attack on the *Sea Isle City*.

⑫ **OCTOBER 20, 1987**

The United States launches a minesweeping campaign.

⑬ **APRIL 1, 1988**

Iran renews its mine-laying campaign.

⑭ **APRIL 14, 1988**

USS *Roberts* hits an Iranian mine in the Persian Gulf and is disabled, causing 10 casualties.

⑮ **APRIL 18, 1988**

United States launches **Operation Praying Mantis**. SEALs attack two Iranian oil platforms in the Gulf, Sirri, and Sassan. Iran's counterattack results in a daylong firefight, which leaves half of Iran's fleet sunk or disabled.

⑯ **JULY 3, 1988**

USS *Vincennes* mistakes an Iranian commercial airliner for a military plane. US forces fire on Iran Air Flight 655, killing all 290 aboard.

Source: Author.

As Figure 2 shows, Khomeini's decision in July 1987 began a steady three-month escalation of force between Iran and the United States, Saudi Arabia, and Kuwait. Mining international shipping lanes is an act of war, and Washington reacted accordingly. The US capture and scuttling of an Iranian minelayer on September 21, 1987, was not sufficient to alter the Iranian mining campaign.⁸²

On October 8, a US helicopter successfully deterred a 45-vessel IRGC naval attack on Saudi Arabia by sinking a small Iranian boat.⁸³ Eight days later, however, the IRGC launched a Silkworm missile on a reflagged Kuwait tanker, injuring the American shipmaster and crew. This time the US response had a more significant impact. The day after the missile attack, American destroyers and Navy SEALs destroyed one Iranian oil platform, damaged another one, and began to overtly conduct minesweeping operations in the Persian Gulf.⁸⁴

For the next five months, Iran continued its campaign against shipping, but much less intensely. Then in April 14, 1988, the guided missile frigate USS *Roberts* struck a mine in the Gulf. The US retaliation four days later, Operation Praying Mantis, was decisive. The Iranians lost two platforms, four smaller boats, one frigate, and at least 56 personnel during nine hours of fighting.⁸⁵ When a second Iranian frigate was damaged, Tehran de-escalated quickly. Losing any more of its limited surface combatant fleet would have devastated Iran's ability to deter or defend against any future naval attacks.

After Operation Praying Mantis, Iran discontinued its use of missiles against US-flagged shipping and limited its small-boat harassment operations for the rest of the war. Khomeini, Rafsanjani, and Rezaei decided, however, that they needed to at least resume the mine-laying campaign, albeit at a much lower level.⁸⁶ The leadership feared that without doing so, they would have no deterrence against potential US military action on Iranian territory or assets.

This decision likely represents a typical characteristic of Iranian de-escalation. When faced with a superior and determined foe, Tehran's moves to exit a conflict cannot be seen as too weak lest their opponent believe they can act against Iran with impunity

in the future. Laying mines—even though Iran had no desire to extend the conflict with the United States—should be viewed therefore as an effort to restore deterrence.

This type of action can be confusing to US decision makers and a source of miscalculation. As observed by participants on the US team during the crisis simulation, Iranian counteractions—even when seeking de-escalation—can create the perception that Iran is “weaseling” out of a confrontation rather than simply surrendering.

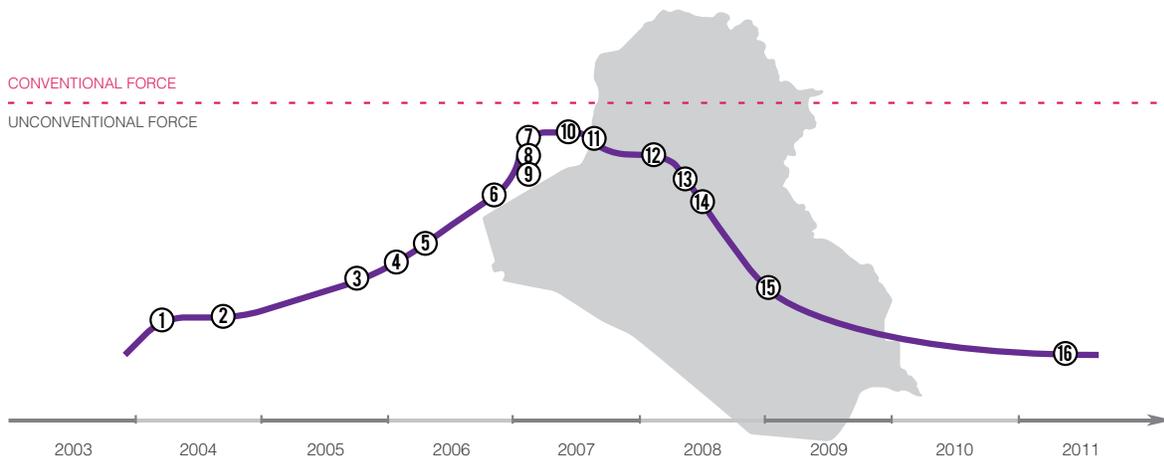
When the USS *Vincennes* accidentally downed an Iranian commercial airbus on July 3, 1988, whatever remaining willingness Iran had to continue its confrontation with the United States quickly evaporated. Despite American explanations, Tehran perceived the action as an intentional use of force and a signal that the United States could escalate to a level well beyond Iranian expectations. Not only did the Tanker War end at this point, but also the airbus incident pushed Khomeini to conclude the Iran-Iraq War itself a month later, believing US willingness to weigh in militarily on the Iraqi side would only increase further.

The Iraq War, 2003–11

Iran's unconventional campaign in Iraq aimed to ensure a friendly government and security apparatus in Baghdad while preventing a permanent US presence. As mentioned earlier, these goals were considered existential, and Tehran would go to whatever feasible lengths necessary to achieve them. As with the Tanker War, the degree of escalation or de-escalation by Iranian proxies was calibrated to perceptions of Washington's intentions and willingness to employ greater levels of force. Iran regularly tested US limits until a culminating point was reached at which Iran determined that further escalation would risk an unacceptable response.

A key difference between the Iraq campaign and the Tanker War was that the unacceptable US response Iran feared was a direct confrontation between American forces and IRGC personnel that could escalate into a full-scale conventional war against IRGC

Figure 3. Conflict Escalation: Iraq, 2003–11



① LATE 2003–SPRING 2004

Iran ramps up support for Moqtada al-Sadr's JAM militia.

② OCTOBER 2004

Iran-supported Badr Corps try to assassinate Saddam-era intelligence figures and members of newly constituted National Intelligence Service.

③ SEPTEMBER–NOVEMBER 2005

First wave of EFP incidents begins.

④ MARCH 2006

Sectarian violence escalates following the February 26 bombing of the al-Askari mosque in Samarra. Second wave of EFP incidents begins.

⑤ MAY 2006

Lebanese Hezbollah militiaman Ali Musa Duqduq meets with Abdul Reza Shahlai, deputy commander of the Quds Force's Department of External Special Operations, in Tehran. He receives orders to oversee the training of militiamen in Iraq.

⑥ DECEMBER 21, 2006

US forces raid home of prominent Shi'ite politician and find Brig. Gen. Mohsen Chirazi, IRGC Quds Force third in command, and Col. Abu Amad Davari.

⑦ JANUARY 11, 2007

United States raids Iranian consulate in Irbil and detains five suspected IRGC Quds Force members.

⑧ JANUARY 20, 2007

Asa'ib Ahl Al-Haqq (with Iranian cooperation and likely direction) raids US PJCC Karbala and kidnaps and kills five US soldiers.

⑨ LATE JANUARY 2007

US announces the "surge" in Iraq. IRGC begins a period of consolidation, expanding training and supply to Iraqi militia fighters. The United States begins aggressively targeting IRGC and proxy actors.

⑩ MARCH 2007

Qais Khazali, leader of Asa'ib Ahl Al-Haqq, is captured by US forces.

⑪ AUGUST 29, 2007

Moqtada al-Sadr calls for a ceasefire after brutal fighting among JAM, Badr Corps, Iraqi government, and US forces in Karbala.

⑫ MARCH 2008

Iraqi security forces begin "Charge of the Knights," aimed at quelling violence in Iraq's southern province of Basra. There is a concurrent increase in violence and EFP attacks, but Iran decides to stand down some of their more closely controlled militia groups and allow Prime Minister Nouri al Maliki to regain control of the country.

⑬ MAY 2008

Final wave of EFP attacks peaks and then begins to decline in preparation for Status of Forces Agreement negotiations.

⑭ AUGUST 2008

Reports suggest that Iranian-backed militias are struggling to finance operations.

⑮ DECEMBER 2008

US Lt. Gen. Thomas Metz reports that the number of explosive devices entering Iraq from Iran has decreased.

⑯ JUNE–JULY 2011

A final wave of Iranian-directed attacks hit US troops in Iraq, designed to ensure that forces depart as scheduled.

Source: Author.

positions and assets in Iran. Recognizing that the United States retained escalation dominance, and given the large deployment of superior US force so close to its western border, Iran sought to avoid a conventional conflict at all costs.

Another crucial difference was in the motivations for escalation or de-escalation. During the Tanker War, parallel military developments in the broader Iran-Iraq War often drove the calibration of the use of force. In Iran after 2003, the calibration of force was frequently tied to political events that Iran thought would most affect Washington's decision-making, such as elections. The smaller scale and plausible deniability of unconventional war allowed Iran to more carefully tailor its use of force to achieve its desired political outcome.

Iran's campaign began in earnest in September 2005 with a major wave of EFP attacks conducted by militias and Iranian proxy groups. (See Figure 3.) These attacks primarily targeted coalition forces leading up to the first Iraqi parliamentary election in December. The elections went relatively smoothly, eventually seating a Shia majority parliament and selecting Nouri al-Maliki as prime minister, an outcome acceptable to Tehran. However, the IRGC's de-escalation after December was short-lived.

Two factors drove the next steady escalation from March 2006 to January 2007: AQI's bombing of the holy Shi'ite Mosque in Samarra, which triggered a sectarian war in Baghdad and central Iraq, and a continued US presence, now in its fourth year, with no indication the US would be extracting itself from Iraq after the first parliamentary elections.⁸⁷ Both issues threatened Iran's primary objectives in Iraq, and the IRGC responded. In May 2006, the IRGC began using Lebanese Hezbollah to train the Shia militias.⁸⁸

As Iran's campaign accelerated through the fall of 2006, there was limited direct coalition response against the IRGC, Lebanese Hezbollah, or leadership of the key Iranian Shia proxies. Then on December 21, 2006, US forces raided a home connected with suspected Shia "death squads" operating against the Sunni population in Baghdad. To their surprise, the US personnel found in the house Brigadier General Mohsen Chizari, head of the IRGC's Quds Force

operations in Iraq; several other Iranian officers; and a prominent senior Iraqi Shia political leader.⁸⁹ Under political pressure from Iraqi government leaders, the US released the Iranians within a week.⁹⁰

On January 11, 2007, US forces raided the Iranian consulate in Irbil, Kurdistan, and detained five members of Iran's Quds Force.⁹¹ Iran was quickly getting the picture that the United States was willing to escalate and go after its people. In response, the IRGC tightened security at all of Iran's diplomatic facilities in Iraq and pulled back most of their Quds Force operatives.⁹² This was a swift de-escalation, not unlike the Iranian retrenchments after punitive US strikes during the Tanker War.

That Iran was likely in a de-escalatory mode makes its next move potentially difficult to understand without context. On January 20, 2007, the IRGC special-group proxy AAH raided the US joint command center in Karbala, ultimately resulting in the deaths of five American soldiers.⁹³ On the surface this appears a daring escalation on Tehran's part, but in fact, the operation appears to have gone awry. Four US soldiers (one seriously wounded) were bound and removed from the command center, hustled into five vehicles, and rushed away. One soldier died of injuries during the attack, and the abductees were subsequently executed as the coalition response team closed in on the fleeing perpetrators.

Had the operation been designed to produce US casualties, it would have been less dangerous and costly for AAH to execute the soldiers at the base. A more likely motivation for the raid is that the IRGC wanted the US soldiers captured in retaliation for the US Irbil raid, to be subsequently leveraged to gain the five Iranian officers' release and restore deterrence against the coalition targeting its officers in the future.⁹⁴

Further indicators that Iran may have been trying to de-escalate during this period include a moderate reduction in EFP and other attacks against coalition forces by Iranian proxies for the next three months.⁹⁵ There were multiple reasons for this. Iran was digesting the implications of the recently announced surge of US forces, and the coalition focus on countering Iranian activity in Iraq specifically was also increasing.⁹⁶

The Iranian leadership may have seen Karbala as a mistake, further driving the need for a lower profile, at least in the near term.

Iran was also running into the crosswinds stemming from its parallel campaign of shaping the Iraqi political and security landscape. The IRGC's broad arming of multiple Shia organizations and paramilitary groups during 2006 was fueling intra-Shia conflict, especially in southern Iraq. The expanding violence caused fears of greater instability, along with resentment among Shia elites of Iran's heavy hand in the country. In November 2007, Iraqi Shia political and tribal leaders signed a petition asking Iran to reduce its support for its proxies.⁹⁷

Even if the IRGC feared that further escalation would lead to unwanted direct confrontation with the coalition and more active resistance from the leadership in Baghdad, Iran's fundamental mission to shape Iraq's government and security apparatus to its favor and deter a permanent US presence remained unchanged. The IRGC spent the post-Karbala period recalibrating its profile in the country, evaluating new US intentions and capabilities for the surge, consolidating its influence in Iraq's security apparatus, expanding its training of its proxies with Lebanese Hezbollah, and supplying Iraqi Shia militias.⁹⁸

The United States, however, continued its efforts to target the IRGC and Shia militia proxies. During a March 2007 raid in Basra, a task force captured Qais Khazali, the leader of the AAH; his brother Laith; and Ali Musa Daqduq, Qais' adviser and Lebanese Hezbollah liaison. Daqduq had in his possession the joint planning documents prepared with the IRGC for the Karbala raid, confirming for the United States—and Iraqi Prime Minister Nouri al-Maliki—Iran's role in the operation.⁹⁹ As the United States intensified its campaign against Iranian proxies, the IRGC responded in kind, with EFP attacks reaching their highest level so far from April to August 2007.¹⁰⁰

The intra-Shia conflict also peaked in August 2007. Brutal fighting that month near the holy Shia shrine in Karbala among JAM, Iraqi government forces, coalition forces, and some Badr and special-groups elements was the culminating point in this cycle. Moqtada al-Sadr called a ceasefire for JAM, which

largely held until March 2008. The IRGC appears to have decided to be much more careful in supplying and training Shia groups, focusing only on the most trusted organizations, specifically special groups, such as AAH.¹⁰¹ The de-escalation of violence against coalition forces between August and March 2008 was significant. However, how much of this was due to IRGC decision-making is difficult to parse out; Sadr's ceasefire and successful surge and task force operations certainly contributed.

The final cycle of intense attacks against US forces occurred from March to May 2008 as US and Iraqi forces jointly attempted to break the hold JAM and other Shia militia groups maintained over the JAM-dominated Sadr City neighborhood in eastern Baghdad, Basra, and other southern cities. These campaigns should be seen as a purge effort by the Shia political leadership to regain control over the remaining Shia paramilitary and political groups that had—with IRGC backing—grown too independent. The Iranian leadership did not oppose this effort in general, as Quds Force Commander Qassem Suleimani negotiated the ceasefire among the groups in southern Iraq.¹⁰² Tehran recognized that the IRGC's previously indiscriminate support of so many organizations had undermined Iran's campaign to create a relatively stable government in Baghdad under its influence.

US casualties from fighting with Shia militias were at their highest ever during the spring of 2008, but Iran's responsibility for the majority of these incidents was likely one level removed, given Suleimani's role in aiding Maliki's campaign to rein in the paramilitary groups. Iran's policies in Iraq had armed, trained, and funded these groups originally, setting the stage for the American deaths in the period. At this point, the IRGC shifted focus to regaining some form of control over the militias, but it returned to primarily targeting US forces by the summer of 2008, albeit at a lower level.¹⁰³ Most of the violence during this period was the result of previous Iranian policies and not directed by the IRGC itself.

Major decisions on a long-term US presence were also being made during 2008, including negotiations over a status of forces agreement between Baghdad and Washington.¹⁰⁴ Iran was placing significant

pressure on Iraqi politicians to make no such agreement. However, continued instability was a primary argument for the US to stay, and Iran appeared to recognize this. If the level of violence remained too high, it would threaten the IRGC's campaign to drive out the American military. Iran's special-group proxies therefore pursued a campaign of comparatively moderate violence for the next three and a half years, with a final wave of attacks in the summer of 2011 before the US forces departed in December. Tehran calibrated this de-escalation by balancing three objectives: erode US will to stay in Iraq, limit Iraqi political will to keep US forces, and be able to claim responsibility for the eventual US departure.

The IRGC's effort to deter the US and prevent a permanent American presence in Iraq—while simultaneously trying to ensure Iran's dominant influence in the country—was at the time its most complex unconventional campaign since 1979. Discerning inflection points for escalation and de-escalation is a challenge, given the intertwined campaigns and multitude of proxies and other actors engaged, not all of which Tehran could control.

The Karbala attack is the closest the IRGC came to employing attributable, conventional force against the United States, and January 2007 was arguably the peak of the conflict's escalation—the closest the conflict came to crossing the threshold of unconventional force. As seen during the Tanker War, Iran restrained its most provocative actions—deploying notable numbers of IRGC Quds Force officers in Iraq—once it encountered a forceful response from the United States. Instead, Iran recalibrated its operations to continue the campaign in a less risky manner, even as the special groups expanded their targeting of coalition forces in the spring and summer of 2007, when the conflict reached its greatest intensity in terms of scale.

Attempting to drive the United States out of Iraq is something that Iran felt it had to do, and arguably it achieved this goal. The United States always retained escalation dominance, however, and Iran had no desire to trigger a conventional confrontation. Due to these conditions, Iranian understanding of US intentions was the primary influence on the “curve” of

escalation and de-escalation. Even greater US forcefulness in targeting Iranian personnel would arguably have made the “slope” of de-escalation even steeper and therefore less lethal for coalition forces. Iran's view of this campaign as an existential one, however, meant it would never have stopped entirely until the United States departed Iraq.

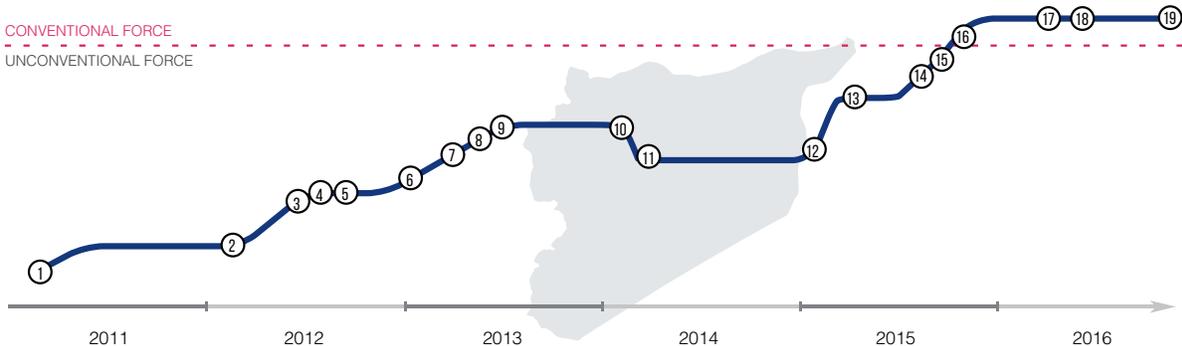
The most important secondary influence on Iran's operations is the host country's level of tolerance for Iranian activities. This is a typical challenge in the IRGC's unconventional campaigns, as seen with Hafez al-Assad's moderation of Iranian operations in Lebanon in 1982 and later with Bashar al-Assad's role in limiting direct Iranian intervention in Syria in 2011. Policymakers concerned about disrupting or restricting the IRGC's activities in places such as Syria, Iraq, and even Yemen and Afghanistan should note that Iran can be highly sensitive to pushback from resentful local political leaders and to direct action against IRGC personnel.

Syria Campaign, 2011–Present

The IRGC's unconventional campaign to save Bashar al-Assad's regime is a much more straightforward narrative of steady escalation than the Iraq conflict. It does share a key characteristic: Preserving Iran's position in Syria is viewed as existential for the senior leadership in Tehran. There is almost no limit to what Iran would be willing to do to secure its interests in Syria, unless a campaign was no longer viable. As requirements to keep Assad afloat increased, Iran continually stepped up its investment.

However, other characteristics of the conflict that are distinct from the IRGC's experience in Iraq have both encouraged and restrained escalation in Syria. Iran's opponents—the Syrian opposition and Sunni Islamic extremists the IS and Jabhat al-Nusra—do not possess conventional military capabilities that match or surpass what the IRGC can bring to bear on the battlefield. Iran, in short, has escalation dominance in Syria and has not faced the threat of direct intervention from the US, Israel, or another major power so far.

Figure 4. Conflict Escalation: Syria, 2011–Present



① **MAY 9, 2011**

Western diplomats report that Iran has deployed IRGC to Syria to help Assad suppress protests against his regime.

② **MARCH 2012**

Liwa Abu al-Fadl al-Abbas (LAFAB), a Shi'ite militia umbrella organization with extensive links to AAH, the Badr Corps, and KAH, is formed. Iranian Supreme Leader Ali Khamenei frames the conflict in Syria as a battle against "a grand Western-Takfiri alliance."

③ **SUMMER 2012**

In response to opposition gains around Damascus, Iran deploys IRGC commanders experienced in urban warfare to provide guidance for Syrian military operations. The Quds Force sets up "operations rooms" to coordinate operations among the IRGC, Syrian forces, and Hezbollah. Hezbollah fighters appear in combat for the first time.

④ **AUGUST 5, 2012**

Syrian opposition captures 48 Iranian nationals, reportedly IRGC members.

⑤ **SEPTEMBER 14, 2012**

IRGC Commander Maj. Gen. Mohamad Ali Jafari announces that members of the Quds Force are present in Syria. Reports emerge that Brig. Gen. Hamedani, the IRGC commander who led the crackdown against the Green Movement, has been tasked with transforming Assad's Shabeha militia into a Basij-like force, the National Defense Force (NDF).

⑥ **FEBRUARY 12, 2013**

Brig. Gen. Hassan Shateri is assassinated in Syria while returning from Damascus to Beirut. The circumstances of his death indicate that Iranian strategy was shifting toward using Lebanese Hezbollah to advance against the opposition.

⑦ **SPRING 2013**

Syria begins to send Shi'ite militiamen to Iran for training. Iraqi Shi'ite militias openly announce that they are operating in Syria under the direction of Lebanese Hezbollah.

⑧ **MAY 2013**

The Lebanese Hezbollah-planned and -led assault on the Syrian opposition stronghold of Qusayr represents a crucial success for Iran's new strategy to use Hezbollah and Iraqi proxies for offensive operations to halt opposition advances. Following the operation, Hassan Nasrallah formally announces Hezbollah's involvement in Syria.

⑨ **JULY 2013**

Reports emerge that Liwa'a 'Ammar Ibn Yasir, a militia associated with the movement to protect Seyyid Zeinab shrine, is operating in Aleppo. This deployment suggests that Iran assessed that the Syrian military needed additional militant support to push back opposition advances.

⑩ **JANUARY 2014**

Ramadi and Fallujah fall to ISIS in Iraq. Iran, its proxies, and its allies temporarily shift focus to the more serious threat in the Iraqi theater.

⑪ **FEBRUARY 2014**

Reports emerge that Iran is surging its military involvement in Syria with the deployment of hundreds of Quds Force advisers supported by "thousands of Basij paramilitary volunteers."

⑫ **MARCH 2015**

Iran delivers 10 SU-22 fighter-bombers to Syria.

⑬ **MAY 27, 2015**

Reports claim that 7,000 to 15,000 foreign fighters entered Syria from Iran to take up positions around Damascus and Latakia.

⑭ **SEPTEMBER 2015**

Russia enters the conflict in Syria.

⑮ **OCTOBER 2015**

As many as 2,000 Iranian and Iranian-backed militia fighters have reportedly deployed to Syria in concert with Russian air power to support a regime offensive.

⑯ **LATE NOVEMBER–DECEMBER 2015**

Iran's Shahed 129 UAV conducts two strikes southwest of Aleppo. These strikes mark evidence of Iranian operations crossing a confirmed, attributable, conventional threshold.

⑰ **MARCH 2016**

Iran deploys special forces from its conventional army, the Artesh, to support operations in Syria.

⑱ **JUNE 9, 2016**

Iran holds a "strategic meeting" with Russia and Syria in Tehran to discuss regional developments and Iran's position on Syria. Iranian Defense Minister Hossein Dehghan, Syria Defense Minister Fah Jassem al-Frej, and Russia Defense Minister Sergei Shoigu were present.

⑲ **DECEMBER 2016**

Iran claims victory in Aleppo.

Source: Author.

An unrelenting will—and need—to succeed, combined with militarily inferior opponents, could have easily produced dramatic escalation. Instead, as Figure 4 shows, the IRGC increased its campaign at a steady pace. Iran avoided admitting its officers' presence in Syria until September 2012 and took pains—at least until late 2015—to not cross the threshold of conventional warfare.¹⁰⁵ This relative restraint in escalation likely has several motivations.

As much as Damascus is dependent on Iranian support, some in the Syrian leadership resent having Tehran rescue them. The IRGC's frustration with how poorly Assad conducted his response to the uprisings in 2011 and subsequent campaign against the opposition are well-known, but the Iranian leadership always tries to portray its role in Syria as something done at Damascus' request.¹⁰⁶ Just as in 1982, elements of Assad's regime have likely been resistant to more explicit military intervention by Iran.

Tehran, similarly, would prefer its effort in Syria to not be seen as a takeover of the country. Such a perception would further undermine Iran's moral and ideological standing in the Muslim world and potentially invite stronger military intervention by Israel, Saudi Arabia, Turkey, or the United States.

There are also domestic considerations. Throwing a seemingly unending amount of financial and military resources into a foreign conflict while Iran was suffering under severe economic pressure from nuclear sanctions was concerning to the country's elites.¹⁰⁷ These tensions may have lessened since the JCPOA was implemented, and fears of the IS have bolstered public support for the IRGC's fights in Iraq and Syria, even as military casualties and expenses remain high.¹⁰⁸

In a certain sense, the IRGC's unconventional campaign can also be seen as conservative and defensive. Before 2011, Iran had what it needed in Syria to securely support Lebanese Hezbollah and deter Israel with fairly minimal cost. After 2011, the IRGC would have to wage a costly fight for the position it once enjoyed in the country. Each escalatory step Iran took from 2011 until 2014 was arguably a minimal response based on the requirements necessary to keep Assad's regime from falling.

In 2011, the IRGC mainly sent a small number of advisers to help suppress protests. When that was insufficient, Iran began establishing Shia militia groups in Syria modeled on—and with ties to—Lebanese Hezbollah and Iran's proxy groups in Iraq. When that could not keep the opposition from making significant gains against Damascus by the summer of 2012, the IRGC and Lebanese Hezbollah sent military officers experienced in urban warfare to embed with the Syrian military command and began bringing in Lebanese Hezbollah fighters. The IRGC established the National Defense Force, a Basij-like Syrian paramilitary force, to serve with Assad's regular army. The Syrian regime was still faltering by 2013, however, prompting a difficult decision for Lebanese Hezbollah to intervene directly.

Lebanese Hezbollah's entrance into the conflict helped stabilize most of the fronts for Assad. Government forces began to make gains throughout the year. By 2014, the opposition was pushing back again. Iran reportedly sent hundreds of Quad Force advisers and thousands of Basij paramilitary volunteers.¹⁰⁹

Then Mosul fell to ISIS in June 2014, and Baghdad came under threat. The IRGC needed to move many of its Iraqi proxies and militias back to Iraq, prioritizing the fight there.¹¹⁰ This was Iran's only de-escalation of the Syrian war so far, and it is more properly viewed as a recalibration.

By the spring of 2015, Iraq had stabilized, but key Syrian regime areas, such as Latakia along the Mediterranean coast, were at risk of falling. As requirements to sustain Assad became more desperate, Iran took on new levels of escalation. Tehran delivered 10 Su-22 fighter bombers and sent 7,000 to 15,000 foreign Afghani and Pakistani militia fighters to positions around Damascus and Latakia in May 2015.¹¹¹

Moscow's intervention dramatically changed the conflict, but Russian air power came with the requirement of a new IRGC posture on the ground. Iran deployed as many as 2,000 IRGC personnel and Iranian-backed Shia militias to Syria in this "surge."¹¹² Although the militias provided most of the front-line combat power, Iran created a new, more aggressive model of support and direction to the pro-Assad forces. The IRGC apparently began deploying the

majority of a brigade or battalion officer complement from two or three divisions at a time, along with a few enlisted personnel, to integrate and lead the hybrid amalgam of militia and proxy forces.¹¹³ This riskier means to drive its unconventional campaign led to a high rate of IRGC casualties tied to cyclical unit deployments. The approach was more effective, however, as pro-Assad forces have been able to recapture crucial territories in northern and southern Syria.

This surge also saw the first clear use of Iranian conventional force. The IRGC's Shaheed 129 unmanned aerial vehicle (UAV) conducted at least two strikes near Aleppo.¹¹⁴ These were the first confirmed uses of an armed drone beyond Iran's borders, and Iran's first confirmed instance of crossing the threshold of attributable force (Iranian ordinance fired by an Iranian operator from an Iranian platform hitting an enemy target) in the Syria conflict. However, the drone strikes thus far remain limited. Iran's campaign in Syria can still be characterized as unconventional, although it now exhibits conventional characteristics.

Between the expeditionary-style IRGC personnel deployments and armed UAVs, Iran is becoming less conservative, its more adventurous posture moving beyond simply meeting perceived requirements. Despite this level of escalation, Iran remains strategically stuck in Syria. Assad may be winning on the battlefield, but even past the successes in Aleppo of late 2016, he is not much closer to securing long-term stability for his regime. This willingness to escalate to a higher degree is due in part to the increasing demands on Iran to keep Assad in power. It is also likely related to Iran's increased capacities, whether finally perfecting its UAV capabilities or developing superior expeditionary unconventional warfare doctrine. Russia's intervention elevated Iran's sense of escalation dominance on the ground, since any greater conventional military threat in Syria by Saudi Arabia, Turkey, or the United States was more firmly deterred, but it has cost Iran some strategic control over the situation.

The political and resource constraints that have kept Iran from sending full military units into Syria will likely remain. If Iran believes such a direct deployment is needed to preserve its interests, though, a

conventional intervention cannot be ruled out. The creation of this hybrid international Shia army of IRGC cadre, proxies, and militia willing to use conventional force is something new that must be studied further. It could put Iran in a stronger position in the region than ever before. As Iran gains greater confidence and capacity, will we see it more readily employed?

Understanding Contours of Iranian Escalation

The Islamic Republic perceived all these conflicts as part of an existential fight. To understand how Iran will escalate, one needs to understand how the leadership perceives its requirements in a conflict. In the conventional fight of the Tanker Wars, Iran felt it was facing an increasing involvement of the United States and other Western powers on Iraq's side. As long as Tehran was committed to continuing the overall war with Iraq, it felt it had to push back against and deter any further American intervention.

Iran also underestimated US military capabilities and willingness to use force. Each escalatory step can be seen then as a test of Washington's willingness and ability to fight. Once the US limits were reached and a harsh reaction was elicited, Iran de-escalated quickly. Had Iran not wanted to end the war with Iraq, it would have likely continued its mining operations and other actions against Gulf shipping at a much lower level. Iran will recalibrate and continue a campaign it believes is essential for its security and interests, at whatever level is sustainable against its adversary.

Requirements also drive escalation in costly, but existential, unconventional campaigns. Escalation will be steady if Iran has escalation dominance, as we see in Syria. Iran will be much more sensitive and reactive if it does not have escalation dominance, as we saw against the United States in Iraq. Testing limits and recalibration, but not cessation, of campaigns appears to be the normal escalation pattern when Iran faces militarily superior opponents.

The United States may face a real dilemma when Iran's desire to prevent an adversary from believing it is relatively defenseless during de-escalation causes

a miscalculation “loop.” Iran will not allow an enemy to believe it can attack with impunity. Its efforts to restore deterrence and regain leverage—such as when the IRGC re-mined after Operation Praying Mantis in 1988 or when Iran’s direct proxy conducted the botched kidnapping of four US soldiers at Karbala in 2007—may understandably be misinterpreted as an indication that Iran intends to escalate when, in fact, it does not.

To successfully end a conflict with Iran, the United States may need to recognize these de-escalatory yet deterrence-restoring actions for what they are, or otherwise remain stuck in a retaliatory cycle. Allowing Iran to “get that last punch in” not only presents actual danger to US personnel, material, or interests in the region but also will always be a public-relations challenge for any US administration. The United States will need to make difficult choices as to how much coercion or force it would be willing to use to ensure the IRI ends conflict without resorting to face-saving measures harmful to US interests. Washington will not need to take the “last punch” if it can recognize the game that Iranian military leaders are playing.

Proportionality and Retaliation. In general, the IRI has a sense of proportionality—staying within a certain type of target set and within a kind of conflict—in response to enemy actions. If attacked conventionally, Iranian leaders most often will respond conventionally.

Tehran will also respond unconventionally to conventional attacks if it feels a conventional response is not sufficient to demonstrate effective retaliation or restore deterrence. This was observed in the crisis simulation, when the IRGC Quds Force and its partners launched terror attacks against US interests in the region in addition to overt military actions. The approach was a typical feature of Iran’s campaigns against Iraq and its allies during the Iran-Iraq War, which involved IRGC-backed subversive and proxy activity augmenting Iran’s main military operations. Iran also frequently invoked the threat of proxy terror in the Levant to supplement a conventional response to a military strike on its nuclear program by Israel or the United States.

There is little to no evidence of the reverse—responding to an unconventional attack with conventional military action or a different type of unconventional use of force, such as retaliating for a cyberattack with terrorism. This is certainly true at least since the Iran-Iraq War, when the comingling of conventional and clandestine campaigns sometimes blurred the lines of Iran’s retaliation and response to Iraqi and allied actions.

The covert campaigns against Iran’s nuclear program triggered covert reactions: the cyber sabotage against Aramco, the Saudi state oil company, in 2012 for the Stuxnet virus that infected Iranian centrifuges and Lebanese Hezbollah terror attacks against Israeli tourists for the assassination of Iranian scientists. Iranian denial-of-service attacks against US banks in 2012 were retaliation for newly imposed nuclear financial sanctions. Western and Arab operational support to Syrian opposition groups has also not been met by Iran with a direct conventional response against Washington, Riyadh, Doha, or other allied governments.

Both Khomeini and Khamenei have shown a general reluctance to target disproportionately within crises or during the conventional and unconventional campaigns they oversaw. This strategic tendency appears to be partly driven by fear that Iran does not possess the capabilities to match further escalation with its opponents and partly by a sense of proportional use of force in conflict, especially when fighting other Muslim nations.

During the Iran-Iraq War, Khomeini’s decision to invade Iraq in 1982 for Operation Ramadan was a choice to continue and escalate the fight, partly shaped by a misunderstanding of Iraqi military power. Even with that decision, Khomeini was concerned about minimizing harm to regular Iraqi citizens and ordered the military not to target large population centers.¹¹⁵ Iranian responses to Iraqi missile salvos during the “war of the cities” were proportional or smaller, often because Iran did not possess the missile quantities Iraq did. Iran was hesitant to respond to Iraqi chemical attacks in the later stages of the war with chemical weapons of its own, and Tehran’s eventual responses occurred at smaller levels.¹¹⁶

When Iraqi attacks damaged Iranian ships at Larak Island in May 1988, Rafsanjani told the military to retaliate without provoking the Americans.¹¹⁷ From a US perspective, mining shipping lanes in the Persian Gulf and Strait of Hormuz during the Tanker War was certainly an escalatory and disproportionate response to the US commitment to protect freedom of transit through the region. Khomeini and Rafsanjani, however, saw the US actions as direct involvement in the Iran-Iraq conflict and termed mining an appropriate—and comparatively less provocative—response to direct conventional engagement.¹¹⁸

The IRGC's Operation Hajj against Saudi Arabia during the Iran-Iraq War may be an exception. Saudi Arabia National Guard forces, acting on intelligence that the IRGC had infiltrated groups of Hajj pilgrims to stage some type of attack in Mecca, fired on the suspected Iranian groups on July 31, 1987, triggering a stampede. Two hundred seventy-five people, mostly Iranians, were killed in the incident.¹¹⁹ IRGC Commander Rezaei received approval from Khomeini for what would become Operation Hajj, two failed attempts to conduct assaults on Saudi energy and desalination facilities.¹²⁰

This was a conventional response to an unconventional interaction, but there are caveats, and the actions must be placed in the context of the ongoing Tanker War. Rezaei had long advocated for attacking Saudi energy and other critical infrastructure in response to its support of Iraq. Until the events in Mecca, the supreme leader had denied Rezaei. But this decision triggered an escalation in the conflict. US efforts to foil the IRGC attacks sparked the IRGC's first Silkworm missile strike against Iraqi-allied shipping a week later, to which the United States retaliated on October 19, 1987, with strikes on Iranian oil platforms.¹²¹ These disproportionate responses are perhaps more tied to the emotional sensitivity of Iranians deaths during the Hajj and not necessarily representative of Khomeini's more typical proportionality calculations.

Khamenei demonstrated a similar approach, if at times a more conservative one than that of his predecessor. Iran pulled back from invading Afghanistan in 1998 after the Taliban killed nine Iranian diplomats,

primarily because the supreme leader, over the consensus of military advisers, believed an invasion was not equivalent to the Taliban's actions.¹²² As with mining during the Tanker War, the IRGC's proxy campaign against coalition forces in Iraq was not militarily proportionate to any initial US actions against Iranian interests. The Iranian leadership, however, justified its actions as necessary to deter and attempt to remove the perceived US threat along Iran's borders.

Once the coalition began targeting IRGC and proxy activities directly, Iranian intended responses remained relatively proportional and conscious of not risking direct US military action. Asa'ib Ahl al-Haq's botched hostage taking of four US soldiers at Karbala was a notable parallel to the coalition's previous capture of five IRGC officers in Irbil, despite its tragic ending.

During the Syrian civil war, Iranian leaders expressed their frustration and discomfort with Assad's heavy-handed repression of the initial uprising in 2011 and his forces' continued use of chemical weapons and barrel bombs in large population centers under opposition control, in contrast to how they would have more appropriately and effectively responded. The killing of Lebanese Hezbollah figure Jihad Mugniyah, an IRGC brigadier general, and several other Lebanese Hezbollah leaders in an Israeli helicopter gunship attack on January 18, 2015, prompted a small-scale Hezbollah rocket strike on Israel a week later and an ambush the following day that killed two Israeli soldiers.¹²³ The clashes are evidence of an apparent escalation of the IRGC's campaign to build a new front against Israel in the Golan Heights. Given the high rank of the IRGC officer killed and the prominence of Mugniyah—his father, Imad Mugniyah, was Lebanese Hezbollah's most important military commander and was assassinated in 2008—there was speculation that the initial reaction may have been partly a face-saving action and that Iran or Hezbollah may eventually attempt a more high-profile retaliation against senior Israeli military figures.

A distinction should be made as well between reciprocity for strikes on Iranian territory and attacks on Iranian personnel, proxies, or assets during conflicts on foreign soil or at sea. There have not been any attributable hostile conventional military actions by a

foreign actor on Iranian territory since the end of the Iran-Iraq War.¹²⁴ Consequently it is difficult to estimate the proportionality of a potential retaliation for a foreign military operation against the target inside Iran, such as an Israeli or US strike on the Iranian nuclear program or other strategic targets.

The Iranian leadership will have a much greater threat perception when their homeland is targeted rather than their positions in Iraq, Syria, or elsewhere.

Such military action may be viewed as a prelude or part of a potentially larger campaign that could directly threaten the regime. Tehran possesses the capability to target Israel with ballistic missiles and with rocket and terrorist attacks from Hezbollah and other proxies. Iran certainly can strike American military assets and bases in the region, but it does not have similar capacity against the US homeland.

This strategic asymmetry—that Washington can strike downtown Tehran, but Tehran cannot strike downtown Washington—is crucial for US policymakers and military planners to understand. For example, an Iranian attack on a US ship or base in the Persian Gulf may not be considered a sufficiently proportional response to a US operation hitting logistical or command and control nodes in Iran. Iran's retaliation for such an operation may be more severe and disproportionate than the United States would expect, even though it would reflect Tehran's sense of reciprocity. Because the United States will retain escalation dominance in almost any conflict with the IRI, such reciprocity calculations are important for managing escalation but should not themselves deter US actions against Iranian targets.¹²⁵

Another manifestation of this asymmetry is Iran's probable emphasis on the symbolic effect of damaging US assets during a conflict. Tehran may focus on the psychological rather than operational impact of hitting a naval vessel or other platform in the hopes of better publicly evening the score, humiliating the United States, restoring deterrence, and possibly weakening Washington's desire to sustain a campaign.

A greater challenge is what Iran may do in the future to establish a more symmetrical retaliation and deterrence capacity against the United States. The need to balance the scales will likely drive Lebanese Hezbollah

or the Quds Force to increase their ability to conduct terrorist attacks in the United States,¹²⁶ push further development of an intercontinental ballistic missile, and expand Iranian cyber warfare efforts.

Finally, US analysts and policymakers should also recognize that some of the most crucial retaliation decisions reflect the supreme leader's personal restraint at the time more than his military leaders' preferences. Iranian sense of proportionality may shift after Khamenei passes, depending on who the next supreme leader is and the relative power dynamics between the IRGC and the rest of the leadership.

Detering the United States. Given the IRI's strategic isolation and defensive military weakness relative to the United States and other global powers, Iran places special value on deterrence. From Supreme Leader Khamenei on down through the Iranian military leadership, there is a consistent, clear message about deterrence for any opponent considering attacking Iran or Iranian interests: Threat will be met with threat. Instilling a fear that retaliation will be as painful as possible drives how Iran developed its strategy and doctrines and built the majority of its conventional and unconventional military capabilities.

The Islamic Republic's approach to deterrence is also shaped by the fact that it must defend simultaneously its physical territory and its core politico-ideological interests: principally its revolutionary form of governance and secondarily the "axis of resistance" of regional proxy forces and partners the IRGC built to project Iranian power and influence. The vulnerability of each of these elements to US and allied military power drives Iran to seek a layered approach to deterrence.

The first line of defense attempts to dissuade US military action far beyond Iran's borders. This strategic deterrence is built around the IRGC's theater ballistic missiles, proxy groups, and terrorist organizations. These forces are aimed mostly against US positions and allies in the region. Given Tehran's limited capacity to strike the American homeland or match US conventional power, threatening allies such as Israel or the Gulf states through missiles, terrorism, or its proxy groups' unconventional capabilities

appears to be a primary means to prevent Washington from initiating major military action.

Iran, however, is not satisfied with its ability to strike the United States from afar. The IRGC will continue to focus on increasing its ability to strike the United States through cyber warfare, terrorism, and likely even intercontinental ballistic missiles. The current centrality of theater ballistic missiles and the “axis of resistance” in deterring the United States and its allies also helps explain why Iran will go to great lengths to preserve those capabilities. Tehran’s continuing development of more advanced ballistic missiles in defiance of UN and US sanctions and the extent of its investment in Syria to preserve Bashar al-Assad’s regime are testaments to Iran’s fear of losing either deterrent.

The second line of defense attempts to deter potential US operations near Iran’s borders, particularly via maritime approaches. The IRGC is steadily increasing the range and lethality of its coastal defense cruise missiles, submarines, mines, and other counter-naval platforms in what can be described as an anti-access, area denial (A2AD) strategy, not unlike the strategy China and Russia have pursued in recent decades. Even if Iran cannot match US naval power head-to-head, the growing risk from these A2AD weapons could force Washington to rethink operations in the Persian Gulf or Gulf Oman.

Iran also has the further advantage of its constrictive maritime geography. Already the IRGC’s most advanced cruise missiles are in range of almost all of the Gulf, let alone the Strait of Hormuz. Tehran will continue to extend the distance in which it can potentially strike enemy vessels, perhaps seeking over-the-horizon radars and advancing the accuracy of its short-range ballistic missiles, similar to China’s “carrier-killer” DF-21.

If Iran feels more confident in deterring US naval operations close to its territory, the same is not likely true of US air operations. Tehran’s air defense capability significantly lags behind its main regional rivals and the United States. This is why Iran spent a decade trying to receive the S-300 missile system from Russia and may eventually pursue the S-400.¹²⁷ The April 2016 delivery of S-300 components began addressing

some gaps in air defense coverage, but Iran will still remain vulnerable to superior US and allied airpower.

Tehran’s third and final line of defense is to dissuade any invasion attempt by making it cost-prohibitive. After seeing how quickly the United States was able to oust Saddam Hussein over a few weeks in 2003, Iran knew it had to rethink its internal defense strategies.

Before he took over as IRGC commander, Major General Mohammad Ali Jafari developed the Mosaic Doctrine, which he implemented once in position. This doctrine realigned most IRGC divisions to Iran’s provinces and attached Basij paramilitary organizations to them. It allows for a more decentralized IRGC structure that can better absorb a decapitating strike and invasion and then reconstitute an insurgent army to push the enemy out.

Mosaic Defense is also tied to Iran’s Passive Defense doctrine, another reaction to the American way of war seen during the First Gulf War. Passive Defense helps ensure critical military and civilian infrastructure can survive precision-guided weapons strikes and defeat superior US intelligence and reconnaissance through physically hardened vulnerable targets, redundant systems, extensive use of tunneling, and deception. All these efforts attempt to tell Washington: Any effort to overthrow the Islamic Republic will simply be too difficult.

Iran is constantly concerned that its threat of retaliation is, or could become during conflict, insufficient to deter the United States. This anxiety frequently results in exaggeration—sometimes comically—of military capabilities, such as publicly displaying fake weapons or Photoshopped missile launches.¹²⁸ As discussed more extensively elsewhere in this section, this fear also drives a need to demonstrate restored deterrence during conflict. Iran believes it must show it can still retaliate and hurt the United States even as Tehran attempts to de-escalate.

The Iranian military likely believes, despite its leadership’s bravado, that it must improve its conventional and unconventional capabilities significantly before Iran can ever sufficiently deter the United States. Tehran appears, however, to see any US intention to employ hard power against the regime as more diminished, at least up until 2017.

Iranian leaders have stated that Washington has given up its desire to overthrow the regime through hard power—due to military deterrence abilities, naturally—and instead is attempting to do so through covert subversion and cultural influence, or so-called soft war.¹²⁹ Since the nuclear agreement in July 2015, Supreme Leader Khamenei sanctioned a campaign against Western influence, or *nafooz*, triggering greater crackdowns on media and political expression.¹³⁰ He fears that Washington's real aim in trying to reintegrate Iran into the global economy is to erode the Islamic Republic's political, ideological, and cultural foundations.

While Iran's defensive campaign against the perceived soft war is clearly emerging, how Tehran intends to deter the United States and its Western allies from conducting it is uncertain. Increasing arrests of reporters and Iranian-American businesspeople, threats to walk away from the nuclear deal, and potential coercive use of economic incentives to dissuade Western states from funding media or other cultural organizations pursuing pro-democracy, freedom of expression, and human rights agendas could all be features of an emerging soft deterrence strategy.

War Termination. Since the conclusion of the Iran-Iraq War in 1988, the Islamic Republic has not ended a conventional or unconventional conflict other than on terms it perceives to be to its advantage. The IRGC and Lebanese Hezbollah worked together with Syrian support, until Israel finally withdrew from southern Lebanon in 2000, despite a period of policy and prioritization disagreement between Tehran and Damascus over the campaign in the second half of the 1980s.¹³¹ Iran's campaign to defend the Bosnian Muslims was eventually overshadowed by NATO's intervention, but Tehran could still see a victory for its efforts in the 1995 Dayton Peace Accords and in building a long-term platform of influence in southeastern Europe. The IRGC effort to ensure the United States did not retain a permanent presence in Iraq arguably succeeded, with the last American combat forces leaving in 2011. US and Iraqi domestic factors certainly played roles in the decision, but pressure from Iran and its proxies on Iraqi politicians and

security leaders was essential. The story of the Syrian intervention has not yet concluded.

To understand why Iran would end a conflict under duress or without achieving its primary objectives, we are left to examine the concurrent conclusion of the Tanker War and the Iran-Iraq War in the summer of 1988.

The war had still been largely a stalemate in 1987, but Iran's position began to deteriorate fairly rapidly in early 1988. In February 1988, Iraq escalated the "war of the cities" by debuting new Scud missiles, which had double their previous range.¹³² Saddam could now hit Tehran and Qom from sites near Baghdad. Iraq offensives against Iranian-aligned Kurdish cities and positions in the north began to employ significant use of chemical weapons, most notably with the atrocity at Halabja on March 16, 1988, which killed almost 4,000 civilians and struck fear of such attacks in the Iranian population.

Believing the United States to be increasingly involved in the conflict, Iran laid a new minefield in the Gulf on April 13, which the USS *Roberts* struck the next day. Iran lost half its surface warships during the US retaliation (Operation Praying Mantis) on April 18.¹³³

The previous day, Iran suffered an almost equally damaging blow when Iraq launched a long-planned surprise attack to retake the al-Faw peninsula, which Tehran had held since March 1986. The peninsula guards Iraq's only access to the Persian Gulf and is perhaps the most strategically important territory for either side during the war. Despite these losses, the Iranian leadership remained committed to the conflict. It was not until Saddam's army continued to make major gains on the northern front and recaptured almost all critical positions in the southern Iraq by the end of June, shortly followed by USS *Vincennes'* downing of the Iranian Airbus on July 3, that Tehran began to seriously consider accepting a United Nations ceasefire under the proposed Security Council Resolution 598.

An examination of key decision makers' interviews and writings during this period shows some conflicting perspectives but generally consistent themes about both the process and the reasoning behind Khomeini's eventual acceptance of the ceasefire.

The most interesting debate occurs between Mohsen Rezaei, commander of the IRGC, and Ayatollah Ali Akbar Hashemi Rafsanjani, who was the overall commander of the war, a close adviser to Khamenei, and speaker of the parliament.

After the IRGC's setbacks on the ground in the spring of 1988, Rezaei asked for more ammunition, equipment, and personnel to invade Baghdad and end the war. Rafsanjani and the other senior members of the SDC then requested a full plan for what the IRGC would require for such an operation. Rezaei complied and wrote a letter to the council detailing a five-year plan for what he would need in provisions, training, and preparation to effectively execute such a campaign, and he delivered it to Rafsanjani.¹³⁴ Rafsanjani then took the letter to Supreme Leader Khomeini, along with another memorandum prepared by the finance minister and central bank director stating that Iran had met economic redlines and could no longer support both the war and basic welfare for the people.

Khomeini was extremely reluctant to accept the ceasefire but was convinced by Rafsanjani, then-President Khamenei, and other senior SDC members—save Rezaei—that Iran simply could not continue the war. All agreed that UNSC Resolution 598 would not be accepted, though, without Saddam being named the aggressor in the conflict and being forced to pay significant war damages. Khomeini then directed that the clergy leadership and other political notables be brought together, where he would announce the ceasefire to ensure unity in the government.

Rezaei was angry that his letter had been taken directly to the supreme leader. He thought it would be an internal memo for Rafsanjani and would have written it differently if he knew it was going to Khomeini as well.¹³⁵ The IRGC commander in fact did not want to end the war and claimed to be sincere in planning for a five-year effort. Rezaei felt instead that Rafsanjani, Khamenei, and others in the political leadership desired to end the war and had used the letter to outmaneuver him.

Rezaei also makes important points about civil-military relations and the Iranian leadership's decision-making during the war. Rafsanjani's letter

request, according to Rezaei, was the first time the political leadership had asked for such a military strategy or plan from the IRGC or Artesh since Iran recaptured Khorramshahr and pushed most of the Iraqi forces out of Iranian territory in 1982. Rezaei thinks that, beginning with Operation Ramadan, Iran's military operations were directed by the government's political leadership primarily to secure a better settlement. He claims the military was never allowed to seriously consider what it would take to invade Baghdad and defeat Saddam. Rezaei argues Khomeini's proclamations that Saddam must be eradicated were only "slogans," and Rafsanjani and other political elites never believed them. The IRGC commander argues that Saddam, other Arab countries, and the world powers began to understand that Iran's military operations were just "political tools" and used this knowledge against Tehran both on the battlefield and during negotiations.¹³⁶

Why then did Rafsanjani, Khamenei, and other political leaders seek to end the war in 1988? They understood the military was exhausted and Iran would likely not be able to economically support a continued conflict. Rezaei's letter likely finalized their opinion on the feasibility of further warfare, although they probably had already come to that conclusion beforehand.

Rafsanjani, unlike Rezaei, was also increasingly concerned about the US role in the fight. He believed that Washington had entered into an "undeclared war" with Iran through sanctions and naval actions in the Gulf and that Washington was the real reason behind Iraqi successes on the battlefield in 1988.¹³⁷ Iraq's new capabilities from Russia, such as the longer-range Scud missiles and MIG 29s, and Iraq's use of chemical weapons without significant international condemnation convinced Rafsanjani that Iran was truly isolated diplomatically. The downing of the Iranian Airbus was likely the final piece of evidence the political elites needed to conclude the Islamic Republic could be facing an unwinnable war, with the United States and other world powers arrayed against it.

Iran's representative to the UN at the time, Ali Akbar Velayati, echoed many of Rafsanjani's perspectives, especially that recent Iraqi successes were mostly due to US support.¹³⁸ Not surprisingly based

on his position, he places even greater importance on the role of the superpowers, believing a decision between the United States and the Soviet Union drove the war to conclusion.¹³⁹ Velayati was also extremely focused on ensuring UNSC Resolution 598 label Iraq as the aggressor. Clearing Tehran's name was of great importance to the Iranian negotiating team.

The Iran-Iraq War was a unique and extreme situation for the Islamic Republic. Iran's battle with Saddam Hussein was an existential one, at least until

1982. After 1982—as IRGC Commander Rezaei would argue—Tehran's objectives were less clear and were likely driven by more political goals of obtaining leverage in negotiations, gaining retribution, and ensuring the Islamic Republic's international honor and status. Such conditions are unlikely to be repeated in future conflicts, but if the IRI finds itself opposed by a unified front and a clear imbalance in military power, Tehran will likely sue for peace without achieving its primary objectives.

Toward a Model of Iran at War

Predicting behavior in future crises is far from an exact science, if possible at all. There is no grand theory of redlines for when Iran goes to war, no rule-set to determine how Tehran will decide to use military force.

Discerning patterns in the historical record and testing concepts of Iranian decision-making through simulation are arguably the best methods available for determining effective strategies to deter or fight Tehran when needed. Examining case studies supported most of the key findings observed in the wargame. If there are no clear predictors of Iranian actions in war, there are certainly tendencies and parameters that can aid analysts, planners, and policymakers.

Why Does Iran Decide to Use Unconventional and Conventional Military Force?

The crisis simulation demonstrated Iran's strong reluctance to employ force against the United States, especially conventional force, unless it was attacked first. Tehran was much more willing to use unconventional force against American assets in the region, although the United States was often challenged in understanding Iranian intent through its use of proxy warfare. From the historical perspective, there are also notable distinctions in decision-making calculations between when Iran views a conflict as a necessary one versus an opportunity to further its position, influence, or ideology. Based on these findings, here are principal characteristics for when Iran decides to use conventional or unconventional military force.

Iran refrains from the offensive or preemptive use of conventional military force. There is no evidence of what would cause Iran, under its current

regime, to initiate a conventional military campaign against another state from a "cold start," with the possible exception of Ayatollah Khomeini's decision to continue the Iran-Iraq War in June 1982 because of his ideological aspirations and misperceptions of military strength. A major factor for Iran's hesitation is the weakness of the Islamic Republic's conventional military relative to its neighbors. Expect Iran to remain deterred from starting an offensive war unless Tehran perceives that the regional balance of power has decidedly swung its way.

Perceived existential threats will trigger Iranian use of force. Iran is certainly not unique in that it will employ force if it believes its survival is threatened. The complication is understanding how Tehran views existential threats.

Iran invested significantly in building military capacity, proxies, partners, and co-opted government structures in Syria, Lebanon, and now Iraq. These three states represent Iran's strategic depth and primary means of regional power projection. Threats to them, and especially major proxy groups such as Lebanese Hezbollah, can quickly become a grave challenge to the Islamic Republic's ideological foundations or its ability to deter adversaries and defend its territory.

Improvements in standoff weapons capabilities likely increase Iran's willingness to cross the threshold of employing conventional force. Standoff weapons typically include cruise missiles and short-range ballistic missiles and are designed to attack a target while limiting the immediate risk to personnel. The IRGC's new ability to fly armed UAVs in missions supporting its unconventional campaign in Syria demonstrates not only an expansion of Iran's willingness to use conventional force but also a new

addition to its standoff capabilities. UAVs are attributable but carry a much lower risk of conflict escalation.

Iran tends to limit any use of force to unconventional warfare unless Iranian territory or assets are directly threatened. As the campaigns to defend Iraq and Syria show, Iran appears to strongly prefer keeping warfare unconventional. The relatively brief use of air and artillery power to stem and deter the IS's advance toward the Iranian border in 2014 reinforces this point. The Iran-Iraq War campaigns, including the Tanker Wars, are the only sustained uses of conventional force since the Islamic Revolution. Armed drone campaigns may prove to be an exception, although at least in Syria, IRGC operations remain overwhelmingly unconventional.

Opportunities to achieve ideological gains may trigger the use of force if supporting strategic interests are at stake and if the supreme leader believes benefits outweigh the risks. Ideological objectives are almost always subordinate factors in Iran's decisions to go to war. The Lebanon intervention in 1982, Bosnia in the 1990s, and possibly Iran's invasion of Iraq in 1982 remain Iran's only wars of opportunity, in which the leadership was motivated more by ideological than strategic concerns.

These decisions were also heavily influenced by the supreme leader's perception that potential benefits would outweigh the risks. However, no such campaigns have been initiated by Tehran since the mid-1990s. Iran under Khamenei may have become more risk averse and somewhat less ideologically driven in the past two decades.

The IRI's efforts to exploit the conflicts and grievances in Yemen, Bahrain, and elsewhere in the region have not yet crossed the threshold into an IRGC unconventional campaign. The potential loss of influence in these theaters is not an existential challenge to the regime, nor have the potential benefits of an outright campaign outweighed the downsides of the Gulf States' likely response to such actions.

Iranian cyber capabilities are rapidly improving, are cost-effective, and are often used in

devastating fashion. Iranian cyber capabilities have rapidly improved to the point of being an effective weapon of choice against its adversaries. Most notable, its response to Stuxnet was an attack on Aramco that destroyed more than 30,000 of the oil company's computers. Operation Ababil was likely viewed as an uncostly yet paralyzing response to US financial sanctions against Iran's nuclear program.

Recent incidents of cyberattacks and retaliation demonstrate cyber warfare is becoming a more integral part of Iran's approach to conflict, deterrence, and retaliation. Future cyber campaigns will likely follow patterns similar to Iran's decision-making regarding unconventional warfare.

Iranian government cyber abilities are perceived to be crucial to regime stability. The Iranian government perceives domestic sedition plots as legitimate threats to regime stability, especially in the wake of the 2009 Green Revolution. Improved cyber capabilities are used to monitor private online communications of Iranian citizens who may be plotting with their fellow citizens or even foreign governments. The attacks on Comodo and Diginotar were highly sophisticated intrusion sets and served as a means of violating the Iranian people's privacy in the name of regime stability.

How Does Iran View Deterrence Against the United States?

The simulation demonstrated how easily US conventional military power can deter Iran. This is largely borne out historically in the Iranian leadership's consistent unwillingness to risk triggering a significant US conventional response in almost every scenario. Tehran's anxiety over its relative military weakness and the vulnerability of its revolutionary form of governance makes deterrence against the United States central in its strategies and military planning. Iran's views of deterrence, though, may evolve as Iranian threat perceptions change.

The weakness of Iran's conventional military led to a three-layered asymmetric approach to

deterrence. The first layer is strategic deterrence, to dissuade US action by threatening its military positions and allies in the region with missiles and terrorism. The second is an anti-access strategy, dissuading US military operations close to Iran's borders through increasingly lethal anti-ship weapons. The third layer is a cost-imposing strategy, aiming to make a US invasion of Iran unfeasible. In the post-nuclear-sanctions environment, Iran will seek to improve capabilities in the first two of these layers, including platforms such as terrorism, cyber, and even longer-range missiles that could target the US homeland.

Iran uses rhetoric and military exercises to deter the United States. Tehran often seeks to convey its dissuasive message to Washington through provocative statements, missile launches, and similar actions. The United States should be cautious, however, in interpreting these displays of military power and strong rhetoric as indicative of Iran's true intentions. Tehran's military capabilities or willingness to escalate a confrontation frequently do not match the IRGC's symbolic demonstrations.

Iranian low-level proxy conflicts can be an attempt to deter the United States or its allies. One of Iran's longest and most complex unconventional campaigns—the IRGC's proxy war against coalition forces in Iraq from 2005 to 2011—was conducted largely to deter the United States from using Iraq as a base for operations against Iran.

Shifting threat perceptions of the United States may drive Iran to find ways to deter soft war. Iran sees the risk of a US conventional attack as diminishing, especially since the nuclear agreement. Tehran currently fears more the threat posed by potential covert activities and Western influence from reintegration into the international economy. Iran will likely seek new ways to coerce or threaten foreign governments, international firms, nongovernmental organizations, and media to prevent entry of ideas and consumer goods that could subvert the government's hold on power.

Why Does Iran Decide to Escalate or De-Escalate a Conflict?

Iran resisted the fast escalation of the confrontation during the crisis simulation, which was mostly forced by the game's time constraints. At each point that the United States attempted to demonstrate its intention to use stronger force, Iran attempted to de-escalate, although the American team did not always perceive this accurately. These tendencies reflect more typical historical patterns in which Iran prefers to escalate in more deliberate steps.

Iran typically determines whether or when to intensify or de-escalate a military campaign by weighing the importance of its desired military goals against the perceived intentions and relative power of its adversary. In wars of perceived necessity, the United States—despite overwhelming military superiority—may be able to pressure Iran to de-escalate without being able to force Iran to terminate a conflict. In these perceived existential conflicts, Iran will go to any lengths to achieve its goals. In wars of opportunity, a clear demonstration of US willingness to use force will likely cause Iran to rapidly de-escalate and potentially move toward war termination.

Against a regional or substate power, Iran retains escalation dominance or parity. During the Iran-Iraq War and the post-2011 Syrian campaign, Iran did not restrain escalation, as long as no larger power was entering or threatening to enter the conflict. Without potential US or other major conventional power, Iran feels little pressure to de-escalate.

Against Iran, the United States or any other major power that possess advanced conventional capabilities and nuclear weapons will possess escalation dominance. Tehran recognizes this imbalance and will approach escalation more cautiously. US policymakers should recognize this as well.

Iran's escalation and de-escalation behavior in conflict with the United States is tied to perceptions of Washington's intentions and willingness to employ greater force. This leads to a typical pattern of limit testing until Iran encounters a US response it cannot or will not match. In conventional campaigns—where US dominance is clearer—de-escalation can

be quite rapid. In unconventional campaigns—where US superiority is more diffused on the battlefield—de-escalation can be more measured.

When de-escalating, Iran typically needs to demonstrate it still retains the ability to defend and retaliate. Iran cannot allow its adversary to think it can continue to attack with impunity while drawing down a conflict. Tehran's actions to restore deterrence and regain leverage—such as when the IRGC re-mined after Operation Praying Mantis or when Iran's direct proxy conducted the botched kidnapping of five US soldiers at Karbala—may understandably be misinterpreted as an indication that Iran intends to escalate when, in fact, it does not.

How Does Iran View Retaliation and Reciprocity in Military Action?

During the simulation, Iran's ballistic missile strike against US forces at Al Udeid air base in Qatar was considered proportional from Tehran's perspective. The strike targeted the facility from which the attacks on Iranian mine storage facilities originated. The US side felt it was disproportional, since it was a larger-scale attack with more casualties.

This divergence in perception is indicative of the fundamental asymmetry caused by the US ability to target the Iranian homeland and Iran's relative lack of ability to similarly threaten the United States. The resulting strategic confusion experienced by participants in the crisis simulation has parallels in the historical case studies discussed previously.

Iran almost always retaliates and targets proportionally. There are few instances when Tehran consciously attempted to respond to an attack during war with even greater force or a different kind of force. Supreme Leaders Khomeini and Khomeini have shown a strong preference for equal or de-escalatory responses in conflict, sometimes over the more aggressive recommendations of their military commanders. This preference is driven primarily by fear of escalation and secondarily by a desire to be seen as employing an “appropriate” level of force.

The failure to understand the distinction between attacks on the Iranian homeland and attacks on Iranian personnel, proxies, or assets during conflicts on foreign soil or at sea could lead to serious miscalculation by the United States. An Iranian attack on a US ship, a base in the Persian Gulf, or a regional diplomatic facility is not equivalent to a US strike on Iranian territory. Iran's response to such an attack may be more severe than the United States expects. Iran may look to balance the retaliation and deterrence equation in the future by improving its ability to strike the US homeland.

Iranian government cyber campaigns mirror traditional Iranian threat response and, in some cases, are viewed as a valuable retaliatory tool to help reduce escalation concerns. The Iranian government appears to favor obfuscated cyber campaigns in which retaliatory doctrine is not firmly established to limit the possibility of a kinetic response from targeted nations. By comparison, a terrorist attack could easily escalate into a military response.

Tehran may also focus on the psychological impact, rather than the operational impact, of any retaliation against the United States. Iran may look to damage a US vessel or find another way to humiliate the United States to save face and compensate for its inability to respond with equivalent force.

Why and How Does Iran Attempt to End Conflict?

The simulation never reached war termination. Similarly, Iran faced the need to end a conflict not on its terms only once since 1979, when it accepted the ceasefire for the Iran-Iraq War. Given that limited data set, a combination of the following circumstances would likely be necessary for Iran to seek war termination on less-than-optimal terms.

Iran recognizes its inability to continue a military campaign. Clarity in understanding both its own weakness and its adversary's real strengths can be particularly difficult for Tehran. Iraq's success in retaking

the al-Faw peninsula and other victories in 1988 were primarily because of extensive retooling of Saddam's army over the previous two years and the Iranian military's exhausted and financially spent state.¹⁴⁰ In future conflicts, Iran will keenly gauge Russian and Chinese support before making any major decisions.

Iran must see a way to preserve its honor before conflict termination. Symbols matter to the Islamic Republic, and maintaining the moral high ground is central to Iran's self-image as a revolutionary state. Naming Iraq the aggressor and seeking reparations were essential for the Iranian leadership to accept a

ceasefire in 1988. Iranian leaders are often profoundly unwilling to admit culpability or collective mistakes publicly, which the United States can find deeply frustrating.

The United States will need to make difficult choices as to how much coercion or force it would be willing to use to ensure the IRI ends conflict without resorting to face-saving measures that are harmful to US interests. Without recognizing that Iran will likely need face-saving offramps in any conflict in which it is losing, the United States may find it difficult to force Iran to end hostilities.¹⁴¹

Conclusion

Viewing the Islamic Republic's approach to conflict as a model—if even possible—should never be considered determinative or predictive. Such an exercise is, at most, an analytic tool for better interpreting Tehran's actions, crafting more effective responses to its operations, and most importantly, deterring Iran from engaging in war or other destabilizing behavior in the first place. Perhaps the most useful method of analysis for policymakers and planners is to ask a series of branching questions about Iran's intentions, perceptions, and circumstances as the United States attempts to manage emerging crises in the region.

The questions most crucial for policymakers to answer are these. First, questions about the nature of the current conflict: What are Iran's objectives in the conflict? What are Iran's threat perceptions? What level of deterrence does Iran believe it has retained or lost? Does Tehran consider the conflict to be existential, is this an opportunity to expand Iranian power and influence, or are both true? Are these operations in retaliation for a conventional or unconventional attack?

Second, questions about the potential direction in which the conflict may evolve: Are there any factors that would push Iran to expand an unconventional conflict into a conventional one? Does Iran fear US or other major power intervention in the conflict, if this has not already occurred? Does Iran recognize US intent and willingness to use force? Does Tehran have escalation dominance in the conflict, or do its opponents? Does Iran feel free to escalate and push limits in the conflict?

Third, questions about possible Iranian response to US actions: Would any factors or misperceptions cause Iran to respond disproportionately during operations? Were strikes on Iranian soil or against Iranian assets at sea or abroad? Is Tehran achieving its objectives?

And finally, questions relating to Iran's willingness to terminate the conflict: What are the likely indicators Iran is attempting to de-escalate? Does Tehran believe it has restored deterrence? Does Iran understand the relative balance of power and how it may have changed? Does Iran believe it can successfully end the conflict on its terms? What level of threat or degree of hardship would Iran need to face before settling a conflict on less-than-optimal terms?

A detailed and thoughtful examination of these questions before and during a conflict, as difficult as it may be, is essential for shaping Iranian behavior and designing successful plans. Especially in the post-nuclear-deal environment, the United States needs to develop more effective approaches to disrupt the IRGC's unconventional campaigns in the region, ensure retention of viable military options that can deter Iran from pursuing nuclear weapons as the JCPOA unwinds by 2030, and dissuade Iran from coercive or aggressive conventional actions against its neighbors or US assets in the region. The United States needs to especially be on guard against Iranian efforts to “balance” the retaliation and deterrence equation by increasing its ability to attack the US homeland through terrorism, cyber warfare, and even ballistic missiles. Maintaining escalation dominance vis-à-vis Iran should be foundational for US strategy.

There are two important caveats to this analysis. Iran's approach to war is evolving as Tehran acquires more advanced technologies, develops new doctrine for unconventional conflicts, and faces new strategic challenges and opportunities. As Tehran modernizes its air, naval, and unmanned weapons platforms and becomes more accurate with its missiles and cyber capabilities, Iranian patterns of use of force, deterrence, escalation, proportionality, and war termination will likely shift. Defense planners in particular

need to weigh these concerns when considering acquisition efforts by the United States or its allies.

Finally, analysts and strategists should remember that the same oligarchical set of elites drive Iran's behavior in conflict since 1979. Most of these

individuals should remain in power for at least the next decade, but a new supreme leader and the passing of the torch from the Iran-Iraq War generation will significantly affect Iranian decision-making about war and peace.

Notes

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8. Daniel Byman et al., *Iran's Security Policy in the Post-Revolutionary Era*, Rand Corporation, 2001, 24, http://www.rand.org/pubs/monograph_reports/MR1320.html. In an exception to this pattern, Seyed Hossein Mousavian notes in his memoirs that in 2003 Khamenei established a "high committee" to be the main decision maker for the nuclear issue. Khamenei attended these meetings personally, along with all 11 members of the SCNS, Ali Akbar Hashemi Rafsanjani, Ali Akbar Velayati, Mir Hossein Mousavi, Mohsen Rezaei, and other prominent politicians. See Seyed Hossein Mousavian, *The Iranian Nuclear Crisis: A Memoir* (Washington, DC: Carnegie Endowment for International Peace, 2012), 95.
9. For more explanation, see Section I, *Iran's Strategic Thinking: Origins and Evolution*.
10. In his memoirs, Rafsanjani recounts the proceedings of a July 19, 1987, session to discuss the Iranian response to the US flagging Kuwaiti ships. Rafsanjani notes, "Imam [Khomeini] was present at the session." Akbar Hashemi Rafsanjani, *Defense and Politics: The Memories and Records of the Year 1366* (March 1987–March 1988), compiled by Ali Reza Hashemi, ed. Ghadir Bastani (Tehran, Iran: The Office of Publications Promoting the Revolution, 2009), 186. Rafsanjani also recounts a July 14, 1988, meeting in which Rafsanjani and other "senior government officials" reach consensus about ending the war with Iraq, but subsequently regrouped in the presence of Supreme Leader Khomeini to win his approval for the decision. Akbar Hashemi Rafsanjani, *The End of Defense, the Beginning of Reconstruction: The Memories and Records of Hashemi Rafsanjani of the Year 1367* (March 1988–March 1989), compiled by Ali Reza Hashemi,

ed. Ghadir Bastani (Tehran, Iran: The Office of Publications Promoting the Revolution, 2011), 210.

11. See "Iranian Threat Perceptions: Summer of 2015" in this section.
12. Ali Akbar Hashemi Rafsanjani, "The Americans Were Not Behind the War with Iraq," interview with *Tabnak Newsmagazine*, September 14, 2008, obtained from the George Washington University National Security Archive.
13. Anthony H. Cordesman and Abraham R. Wagner, *The Lessons of Modern War Volume II: The Iran-Iraq War* (Boulder: Westview Press Inc., 1990), 146–47 and 186. Cordesman's account of events notes that the regime was nearly unified behind continuing the war, although he emphasizes Khomeini's ideological motivations for the decision, while granting Khamenei, Mousavi, Rafsanjani, Velayati, and the military establishment more credit for pragmatic policy proposals.
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33. See “Iran-Iraq War” in this section.

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81. Ibid., 244. Additionally, Rafsanjani reports that on October 17, 1987, he received word of the Silkworm missile attacks on an American flagged tanker (the Sea Island City). He notes, "I told the IRGC Navy and Artesh Navy to not attack Americans for now as to not incite them." Rafsanjani, *Defense and Politics: The Memories and Records of the Year 1366*, 312.

82. Crist, *The Twilight War*, 298–99; and Cordesman and Wagner, *The Lessons of Modern War Volume II*, 318–19.

83. Crist, *The Twilight War*, 303–304; and Cordesman and Wagner, *The Lessons of Modern War Volume II*, 325–26.

84. Cordesman and Wagner, *The Lessons of Modern War Volume II*, 328–30.

85. Crist, *The Twilight War*, 328–29.

86. In his memoirs, Rafsanjani relates an April 30 meeting among Ali Akbar Velayati, Supreme Leader Khomeini, and himself, in which they decided to continue the policy of opposing the United States, despite the belief that it may result in clashes with the Americans. Rafsanjani, *The End of Defense, the Beginning of Reconstruction: The Memories and Records of Hashemi Rafsanjani of the Year 1367*, 102.

87. Felter and Fishman, *Iranian Strategy in Iraq*; and Michael Knights, "The Evolution of Iran's Special Groups in Iraq," Combating Terrorism Center at West Point, November 1, 2010, <https://www.ctc.usma.edu/posts/the-evolution-of-iran-s-special-groups-in-iraq>.

88. Fulton, Holliday, and Wyer, *Iranian Strategy in Syria*.

89. Michael R. Gordon and Bernard E. Trainor, *The Endgame: The Inside Story of the Struggle for Iraq, from George W. Bush to Barack Obama* (New York: Vintage, 2013), 320–24; and Crist, *The Twilight War*, 527.

90. Crist, *The Twilight War*, 527; and Gordon and Trainor, *The Endgame*, 324.

91. Crist, *The Twilight War*, 527–28; and Gordon and Trainor, *The Endgame*, 324–25.

92. Gordon and Trainor, *The Endgame*, 325; and Crist, *The Twilight War*, 529.

93. Intelligence captured later in 2007 revealed IRGC support for the Karbala operation, including the provision of intelligence on life inside the US command center. See Stanley McChrystal, *My Share of the Task* (New York, Penguin Group: 2014), 256–67.

94. Crist and Gordon note that the raid's intention was to secure hostages, not to kill US soldiers. Crist, *The Twilight War*, 529–30; and Gordon and Trainor, *The Endgame*, 312–13 and 353.

95. January 2007 saw a total of 36 EFP detonations, followed by 23 in February and 26 in March 2007.

96. Gordon and Trainor, *The Endgame*, 324 and 732; and Sean D. Naylor, "Inside U.S. Commandos' Shadow War Against Iran," *Daily Beast*, September 1, 2015, <http://www.thedailybeast.com/articles/2015/09/01/inside-u-s-commandos-shadow-war-against-iran.html>.

97. Marisa Cochrane, "Special Groups Regenerate," Institute for the Study of War, August 28, 2008, 7, <http://www.understandingwar.org/sites/default/files/reports/IraqReport11.pdf>; and Dean Yates, "Petition Condemns Iran for 'Disorder' in S. Iraq," *Reuters*, November

21, 2007, <http://www.reuters.com/article/us-iraq-iran-petition-idUSL2156942820071121>.

98. Felter and Fishman, *Iranian Strategy in Iraq*.

99. McChrystal, *My Share of the Task*, 256–59; and Gordon and Trainor, *The Endgame*, 351–54.

100. In April 2007, 34 EFP detonations were reported, 41 detonations were reported in May, and 46 were reported in June, rising to a peak of 55 in July 2007, the highest level experienced until the spring of 2008.

101. Evidence for this lies in the shift in violence in March 2008 and in the actions of special group militias in Basra and Sadr City as Prime Minister Nouri al-Maliki's government began to consolidate control. See Felter and Fishman, *Iranian Strategy in Iraq*, 51–52.

102. Gordon and Trainor, *The Endgame*, 745–46.

103. The average EFP rate during this period fell to just over 16 incidents per month.

104. For discussion of the SOFA and the Overarching Strategic Framework Agreement eventually signed by the United States and Iraq on November 17, 2008, see R. Chuck Mason, *U.S.-Iraq Withdrawal/Status of Forces Agreement: Issues for Congressional Oversight*, Congressional Research Service, July 13, 2009.

105. Farnaz Fassihi and Jay Solomon, “Top Iranian Official Acknowledges Syria Role,” *Wall Street Journal*, September 16, 2012, <http://www.wsj.com/articles/SB10000872396390443720204578000482831419570>.

106. For discussion of Iranian frustration with the Syrian regime, see Fulton, Holliday, and Wyer, *Iranian Strategy in Syria*, 13. In 2012, IRGC Brig. Gen. Qassem Suleimani's reportedly commented, “Give me one brigade of the Basij, and I could conquer the whole country.” See Dexter Filkins, “The Shadow Commander,” *New Yorker*, September 30, 2013, <http://www.newyorker.com/magazine/2013/09/30/the-shadow-commander>.

107. On January 4, President Hassan Rouhani asked in a widely covered speech, “Until when should our economy subsidize our policies? It subsidizes both our foreign and domestic policies. Let's reverse this relationship for one decade. Let's have our foreign policy subsidize our economy, and let's see what happens to the people, their livelihood and the employment of their youth. Let's ask the people.” Arash Karami, “Rouhani's Referendum Proposal Causes Stir in Iran,” *Al Monitor*, January 5, 2015, <http://www.al-monitor.com/pulse/originals/2015/01/rouhani-direct-referendum-iran.html>.

108. A public opinion poll conducted by the University of Maryland in January 2016 showed that 80 percent of Iranians approve of the role their country is playing in Syria, while 63 percent agreed that Iran should send military personnel to Syria. See Ebrahim Mohseni, Nancy Gallagher, and Clay Ramsay, “Iranian Attitudes in Advance of the Parliamentary Elections: Economics, Politics, and Foreign Affairs,” University of Maryland Center for International and Security Studies, February 2016, <http://cissm.umd.edu/publications/iranian-attitudes-advance-parliamentary-elections-economics-politics-and-foreign>.

109. Johnathan Saul and Parisa Hafezi, “Iran Boosts Military Support in Syria to Bolster Assad,” *Reuters*, February 21, 2014, <http://www.reuters.com/article/2014/02/21/us-syria-crisis-iran-idUSBREA1K09U20140221>.

110. Nicholas Blanford, “Why Hezbollah Is Playing a Smaller Role in This Iraqi Conflict,” *Christian Science Monitor*, July 16, 2014, <http://www.csmonitor.com/World/Middle-East/2014/0716/Why-Hezbollah-is-playing-a-smaller-role-in-this-Iraqi-conflict>. One source notes that to fill the gap left by redeploying Iraqi militia fighters, Qassem Suleimani deployed Afghan fighters and members of the elite IRGC 8th Armored Division around Hama. Jassem Al Salami, “Iran's Top Agent in the Middle East Isn't All He's Cracked Up to Be,” *War Is Boring*, September 24, 2014, <https://medium.com/war-is-boring/irans-top-agent-in-the-middle-east-isnt-all-hes-cracked-up-to-be-d88cef5a1fob#.qly3a6yl7>.

111. Oryx, “Iranian Fighter-Bombers Operating in Syria,” *Bellingcat*, March 16, 2015, <https://www.bellingcat.com/news/2015/03/16/iranian-fighter-bombers-operating-in-syria/>; and Abdulrahman Al-Masri, “Iran Deploys Fighters to Syria in What the Opposition Calls ‘Occupation,’” *Middle East Monitor*, June 10, 2015, <https://www.middleeastmonitor.com/articles/middle-east/19141-iran-deploys-fighters-to-syria-in-what-the-opposition-calls-occupation>.

112. Yeganeh Torbati, Phil Stewart, and David Alexander, “Iran Has over 1,000 Troops in Iraq, Less Than 2,000 in Syria: U.S. General,” *Reuters*, October 27, 2015, <http://www.reuters.com/article/us-mideast-crisis-dunford-iranians-idUSKCN0SL23E20151027>.

113. Bucala and Kagan, *Iran's Evolving Way of War*.

114. Jennings and Gibson, “Iranian UAV Shown Striking Targets in Syria and Iraq.”

115. In a subsequent interview, Rafsanjani notes that Khomeini said, “We cannot [end the war] because then they will never

recognize our demands; but we also cannot enter into Iraqi territory.' It was then decided that, out of consideration for the Iraqi people, we will only push into those uninhabited parts of Iraq that were of strategic interest, hence the Majnoun Islands." Ali Akbar Hashemi Rafsanjani, "Speech on the War," Baznevis Online, July 27, 2008, obtained from the George Washington University's National Security Archive.

116. Javad Ali notes, "Iran used chemical weapons late in the war, but never as extensively or successfully as Iraq." Javad Ali, "Chemical Weapons and the Iran-Iraq War: A Case Study in Noncompliance," *Nonproliferation Review* (Spring 2001): 51, <https://www.nonproliferation.org/wp-content/uploads/npr/81ali.pdf>. See also Defense Intelligence Agency, "Use of Chemicals in the Iran-Iraq War," March 15, 1990, http://www.gulflink.osd.mil/declassdocs/cia/19970129/970110_1620S464_90_0001.html.

117. Rafsanjani, *The End of Defense, the Beginning of Reconstruction: The Memories and Records of Hashemi Rafsanjani of the Year 1367*, 119.

118. In a 2008 interview, Rafsanjani observed of the US reflagging mission, "The U.S. entered the war with us, but it was an undeclared war. The U.S. under the rubric of support for the oil carriers started that war and through that tried to cut off our financial resources and limit our exports of oil. But we countered and they could not gain very much of what they had in mind, although by resorting to excuses they attacked us several times and fired on a number of our helicopters and bombarded a few oil rigs and sank our warships." Ali Akbar Hashemi Rafsanjani, "Rafsanjani on Iran's Conduct of the War," Aftab News Agency, June 21, 2008, obtained from the George Washington University National Security Archives.

119. Cordesman and Wagner, *The Lessons of Modern War Volume II*, 301–02.

120. Crist, *The Twilight War*, 300–302, 306–10.

121. Ibid., 311–12; and Cordesman and Wagner, *The Lessons of Modern War Volume II*, 328–31.

122. In a February 2012 interview with Fars News, Maj. Gen. Yahya Rahim Safavi, Khamenei's military adviser, related the discussion between the military command and Supreme Leader Ali Khamenei. Khamenei refused Safavi's invasion plan, stating, "First, the Taliban have not entered our soil, and have not violated our [borders]. The entry of Iran into Afghan soil might lead to reactions by others.' He continued, 'Now 13 individuals have become martyrs, and you will go avenge them, but in this expedition it's possible that more than 13 individuals become martyrs.'" See "Nagoftehayeh az tadabeer rahbar enghalabi dar 22 sal akheer be ravayat sarlashkar safavi" [Unspoken Measures of the Revolutionary Leader in the 22 Years Narrated by Major General Safavi], Khabr Gazr-I Fars [Fars News Agency], February 7, 2012, <http://www.farsnews.com/newstext.php?nn=13901118000986>.

123. Nicholas Casey and Raja Abdulrahim, "Two Israeli Soldiers Killed in Attack Claimed by Lebanon's Hezbollah," *Wall Street Journal*, January 28, 2015, <http://www.wsj.com/articles/israel-strikes-syrian-army-artillery-posts-1422433830>; and Nour Samaha, "Two Israeli Soldiers Killed in Hezbollah Missile Attack," Al Jazeera, January 28, 2015, <http://www.aljazeera.com/news/2015/01/israeli-soldiers-injured-shebaa-farms-missile-attack-150128100642659.html>.

124. Ibid.

125. Some understanding of this may have influenced the US decision to refrain from striking IRGC positions, training camps, or infrastructure inside Iran in 2007 when the coalition's counter-Iranian proxy campaign was at its height. This recognition of inherent escalatory risk was certainly present during the Tanker War, when in October 1987 the United States decided against targeting Iranian land-based Silkworm missile sites in response to the Iranian attack on the US-flagged Kuwaiti tanker, the Sea Island City. See Cordesman and Wagner, *The Lessons of Modern War Volume II*, 329–30.

126. The IRGC's failed attempt to assassinate the Saudi ambassador to the United States in Washington, DC, in 2011 may be seen in this context. See Charlie Savage and Scott Shane, "Iranian Accused of a Plot to Kill Saudis' U.S. Envoy," *New York Times*, October 11, 2011, <http://www.nytimes.com/2011/10/12/us/us-accuses-iranians-of-plotting-to-kill-saudi-envoy.html>.

127. During April 2016, reports appeared that components of the Russian-made S-300 system had been delivered to Iran. See AEI's Critical Threats Project, "Iran News Round Up—April 18, 2016," <http://www.irantracker.org/iran-news-round-april-18-2016>; and AEI's Critical Threats Project, "Iran News Round Up—April 25, 2016," <http://www.irantracker.org/iran-news-round-april-29-2016>.

128. Fox News, "Iran's 'Drone Clone' Latest in Long Line of Fakes, Experts Say," May 14, 2014, <http://www.foxnews.com/world/2014/05/14/iran-drone-clone-latest-in-long-line-fakes-experts-say.html>.

129. In March 2016 IRGC Air Force Commander Brigadier General Amir Ali Hajizadeh dismissed the threat of US attack, saying, "We

are not worried about this. Our worry is from inside the country. . . . It is from people who influence decision-makers.” See AEI’s Critical Threats Project, “Iran News Round Up—March 29, 2016,” <http://www.irantracker.org/iran-news-round-march-29-2016>.

130. Supreme Leader Ali Khamenei’s speech from August 2015 appeared to set the stage for an internal campaign led by the IRGC’s intelligence branch. This “anti-influence campaign” resulted in the arrests of Iranian journalists and businessmen. See Bozorgmehr Aharafedin and Sam Wilkin, “Iran Still Closed to U.S. Influence After the Nuclear Deal: Khamenei,” Reuters, August 17, 2015, <http://www.reuters.com/article/us-iran-nuclear-khamenei-idUSKCN0QM0O420150817>; J. Matthew McInnis, “The Coming Crackdown in Iran,” AEIdeas, November 13, 2015, <https://www.aei.org/publication/the-coming-crackdown-in-iran/>; and Nima Gerami, “Iran’s Widening Crackdown Pressures Rouhani,” Washington Institute of Near East Policy, November 25, 2015, <http://www.washingtoninstitute.org/policy-analysis/view/irans-widening-crackdown-pressures-rouhani>.

131. Goodarzi, *Syria and Iran*, 133–35.

132. Cordesman and Wagner, *The Lessons of Modern War Volume II*, 363.

133. *Ibid.*, 379–81.

134. Mohsen Rezaie, “Excerpts of Mohsen Rezaei’s Interview with Baztab,” Baztab Newsmagazine, September 28, 2006, obtained from the George Washington University National Security Archives.

135. *Ibid.*

136. *Ibid.*

137. Ali Akbar Hashemi Rafsanjani, “Rafsanjani on Iran’s Conduct of the War,” Aftab News Agency, June 21, 2008, obtained from the George Washington University National Security Archives, <http://www.aftabnews.ir/vdce7n8jhz8pp.html>.

138. See Ali Akbar Velayati, *Political History of Iraq’s Imposed War on the Islamic Republic of Iran* (Tehran: Daftar-e Nashr-e Farhang-e Islami, 2001), chap. 5, obtained from the George Washington University National Security Archive.

139. *Ibid.*

140. Cordesman and Wagner, *The Lessons of Modern War Volume II*, 353.

141. There is an interesting parallel here with the nuclear negotiations. It was crucial for Iran that for whatever UNSC resolution was passed implementing the JCPOA, the issue was removed from Chapter VII, which addresses threats to international peace and security and can have binding force on member states. By supplanting the UN resolution adopted under Chapter VII, Iran hoped UNSC Resolution 2231 would remove the stigma that Iran’s nuclear program was a threat to international order.

Section III

Iranian Concepts of Warfare: Understanding Tehran's Evolving Military Doctrines

Introduction

How does the Islamic Republic of Iran (IRI) think about using military power to achieve its security objectives? Is there one school or rather many schools of Iranian military thought? Why is Iran's military structured as it currently is? Why and how could that change, especially given the implementation of the Joint Comprehensive Plan of Action (JCPOA) and Iran's deepening role in the regional wars in Syria and Iraq?

These are fundamentally questions of doctrine that are important to defense policymakers and military planners. Understanding how the Iranian leadership looks at military power and strategy is crucial to designing a better US force posture in the region, improving security cooperation with our allies, and communicating more effective responses to Tehran's behavior in the Middle East and globally.

A state's written doctrine, such as it may exist, is essential to understanding its leadership's approach to employing armed force. However, the realities of military structure, deployments, operations, or goals do not always reflect what is officially published. What has happened or would likely happen on the battlefield is what really matters for commanders and planners on both sides.

Although doctrine can establish parameters for training, preparation, and initial campaign designs in conflict, it inevitably evolves to address the specifics of individual military challenges. In the heat of combat, sometimes this evolution can be quite rapid. Evaluating the decision-making processes, historical factors and trends, bodies of writing, and observed military behaviors related to the development of doctrine arguably provides the optimal approach for

assessing how a state prepares for and will likely conduct war.

This section draws from numerous Iranian strategy and doctrinal writings, statements and interviews from key leadership figures, observation of military exercises from the past five years, and perceived military behavior in crisis and conflicts since the 1979 Islamic Revolution.

This section attempts to build an analytic framework for examining the IRI's war-fighting concepts. It explores doctrine at the strategic level—that is, how a state's military power is designed and employed to achieve its security objectives. It does not look deeply at the more operational or tactical levels of conflict. There will be no discussion of how many missiles Iran would theoretically launch in its first salvos against US, Gulf Arab, or Israeli forces in a regional war. Neither will it focus on the latest siege tactics used by the Islamic Revolutionary Guard Corps (IRGC) and its proxies in Syria.

Instead, this section lays out how formal and informal structures in Iran create strategy and doctrine, which institutions or individuals matter in shaping doctrinal ideas, and the historical and ideological factors that drive IRI thinking about military power. This model conceptualizes the nature of IRI defensive and offensive doctrines and aims to explain how and why Iranian strategy and force posture may evolve as restrictions on resources and conventional weapon acquisitions are relaxed under the JCPOA. Rather than attempting to provide Tehran's operational manual, this section demonstrates how to conceptualize and study IRI military doctrine.

Strategy and Doctrine Formation

The United States has a system of strategy development and doctrine formation that begins with the president's National Security Strategy. This document informs the national defense and military strategies and subsequent joint planning processes, which guide doctrinal development, contingency planning, and defense acquisition across the Department of Defense.

In a similar way, the IRI develops its strategies and doctrines from an overarching conceptualization that the supreme leader lays out in his 20-Year Vision. From this document, Iran creates five-year cyclical development plans, which, at least in the past three iterations, not only direct Iran's budget and economic policies but also provide guidance for the Islamic Republic's security requirements and areas of defense investment. As with the US planning process, the development, interpretation, and implementation of Iranian strategy and doctrine do not always follow in a clear and linear sequence. However, there are several distinctive elements to the IRI's system related to both the unique consultative decision-making structures in the government and the Marxist-influenced approach toward planned economy.

The 20-Year Vision

The supreme leader and his inner circle of advisers receive information and advice from the Armed Forces General Staff (AFGS) and the government's other foreign policy and defense principals before issuing recommendations for the 20-Year Vision document and the five-year plans. Under the direction of the IRGC's former head, Mohsen Rezaei, Iran's Expediency Council prepared the last 20-Year Vision. The council consulted multiple outside experts and took five years to reach a consensus before issuing it in 2005.

Contextualizing the document's timing is important. It was drafted during the last part of Mohammad Khatami's presidency, when Iran was in a particularly defensive position. Iran's nuclear activities in violation of the Non-Proliferation Treaty had been revealed in 2002, putting Tehran under intense diplomatic scrutiny. The US invasion of neighboring Iraq in 2003 had also triggered a significant fear of US military action against the state. The IRGC began a proxy war against US and allied forces in Iraq in reaction, while also apparently halting the bulk of its nuclear weapons program for at least two years.

With this defensive context in mind, it is important to examine how the 20-Year Vision addresses the long-standing tensions and internal contradictions of Iran's ideological, security, and economic objectives. The vision reflects a developmentalist foreign policy, whereby Iran should conduct its external affairs to promote a stable international environment that allows for the economic growth necessary for the republic to become a first-rate power.¹ Despite this focus on stability, the vision calls for Iran to continue spreading its model of religious governance in the Islamic world, which is just the first of many contradictory goals articulated through Iran's doctrinal development process. The IRGC's execution of this mission through the development of its proxy forces in the region, of course, inevitably results in a significant amount of instability that supposedly Iran is trying to avoid.

The vision's most explicit security-related guidance focuses on defense and deterrence. The vision states that Iran will become "secure, independent, and powerful with a defense system based on all-fronts deterrence [or full-scale deterrence] and alliance between the government and the population."² This language is arguably reflective of the conceptual basis for the state's strategy and force

posture since the end of the Iran-Iraq War. As I argued in Section I, the IRI remains defensively oriented from a conventional military sense, focused on deterrent rather than offensive operations.³ This guidance also reflects the importance Iran's leadership places on maintaining the stability and legitimacy of the revolutionary Islamic regime. The emphasis on "alliance between the government and the population" and the fear of efforts by external forces to undermine this alliance plays an outsized role in the IRI's military and security efforts to defend against foreign subversion, or the so-called soft war, and prevent the potentially destabilizing effects of foreign economic investment.⁴

It is uncertain whether Iran will have another 20-Year Vision or if this was a one-time exercise. However, the themes and direction provided in this document still appear to be highly relevant 12 years later, despite the confrontation with the international community over Iran's nuclear program and the dramatic expansion of regional and sectarian conflicts involving Iran that have occurred since it was issued. Supreme Leader Ali Khamenei's decision to de-escalate with the West and pursue a nuclear agreement to rescue Iran's economic situation can also be seen in this developmentalist framework.

The idea that Iran's foreign policy should serve to enrich and strengthen the republic has been a major theme of President Hassan Rouhani's since taking office in 2013. In a January 2015 speech, Rouhani emphasized the importance of using Iran's foreign policies to strengthen its economy, implying criticism of the IRGC's willingness—in contrast—to take the state's wealth and use it to further ideological or strategic objectives abroad, such as in Syria since 2011.⁵ This policy construct should not be surprising since President Rouhani was likely involved in the vision's drafting: He was the secretary of the IRI's Supreme Council for National Security, lead nuclear negotiator with the P5+1, and a member of the Expediency Council during that period.

Five-Year Development Plans

Since the end of the Iran-Iraq War, Iran has implemented five five-year development plans, reflecting the state-directed economic philosophies preferred by the leadership. The first three plans—in 1990, 1995, and 2000—focused on only economic priorities and did not directly provide guidance in foreign policy, defense, or security issues. This changed with the creation of the 20-Year Vision. The fourth (2005) and fifth (2010) development plans gave increasingly detailed guidance for the IRI's defense and security requirements, drawing from the vision principles.

The US strategy and planning system stays in the executive branch, although Congress certainly retains control over budget allocation and defense policy oversight. In the Islamic Republic, the legislature (Majles) has a more direct role in implementing defense strategy and planning. After a consultative process with key national leaders and advisers, Supreme Leader Khamenei issues broad guidance for each development plan, which is then sent to the Expediency Council and parliament for consideration.⁶ The Expediency Council then advises the president on crafting a bill with provisions for carrying out policies, which he sends to the parliament for amendment and ratification.⁷

Each year's annual budget is guided by the Five-Year Development Plan. The bill to amend and ratify the sixth Five-Year Development Plan was delayed until 2016 so that the JCPOA could be implemented and the new parliament, which sat in May 2016, could consider it. The fact that defense and security requirements that direct the armed forces procurement, training, and doctrinal formation are codified into law is a distinctive aspect of the IRI system.

The fifth Five-Year Development Plan guides the budgets and defense and security policies from 2011 to 2017. There are three major security directives.⁸ The first focuses on raising Iran's prestige, status, power, and role in the region and the international system to strengthen national security and advance the national interest. This includes strengthening international ties, especially with its neighbors and

nonhostile powers. The plan also reiterates the IRI's long-standing position to work to liberate the region from foreign military presence.

The second directive addresses the IRI's distinctive concept of comprehensive security.⁹ This includes not only traditionally defensive measures such as border security and defense of sovereignty but also defensive goals aimed at preventing civil insurrection. The aim of strengthening the people's role in "pursuing anti-security activities," "developing passive defenses," and encouraging collaboration among the intelligence, security, and judicial institutions are all part of the IRI's fear of soft war, or the United States and other Western powers' efforts to undermine and ultimately overthrow the regime.¹⁰

The third security-related directive focuses on territorial integrity and creating a regional balance through "updating and repairing defensive industries," "increasing self-sufficiency," expanding the popular mobilization, and securing Iran's border regions.¹¹

The Majles passed the sixth Five-Year Development Plan in January 2017. Reflecting newfound flexibility and resources because of the JCPOA, the plan outlines Iran's goal to increase its military budget. This will increase development of Iran's ballistic missile capabilities, cyber infrastructure, arms production, and modern weapons acquisitions.

The plan still primarily remains a document focused on economic and social development. On this front, Iran hopes to develop Khamenei's concept of a resistance economy, or an economy resistant to future efforts in the West to enforce sanctions. Whether this means deeper integration into the international financial system or greater autarky remains a principle debate among political leaders inside Tehran.

Doctrinal Formation in Military Institutions

Not surprising for observers of the US or other states' defense planning process, the IRI faces serious challenges in systemically generating and implementing doctrine, procurement strategy, and capability development. The planning and guidance documents

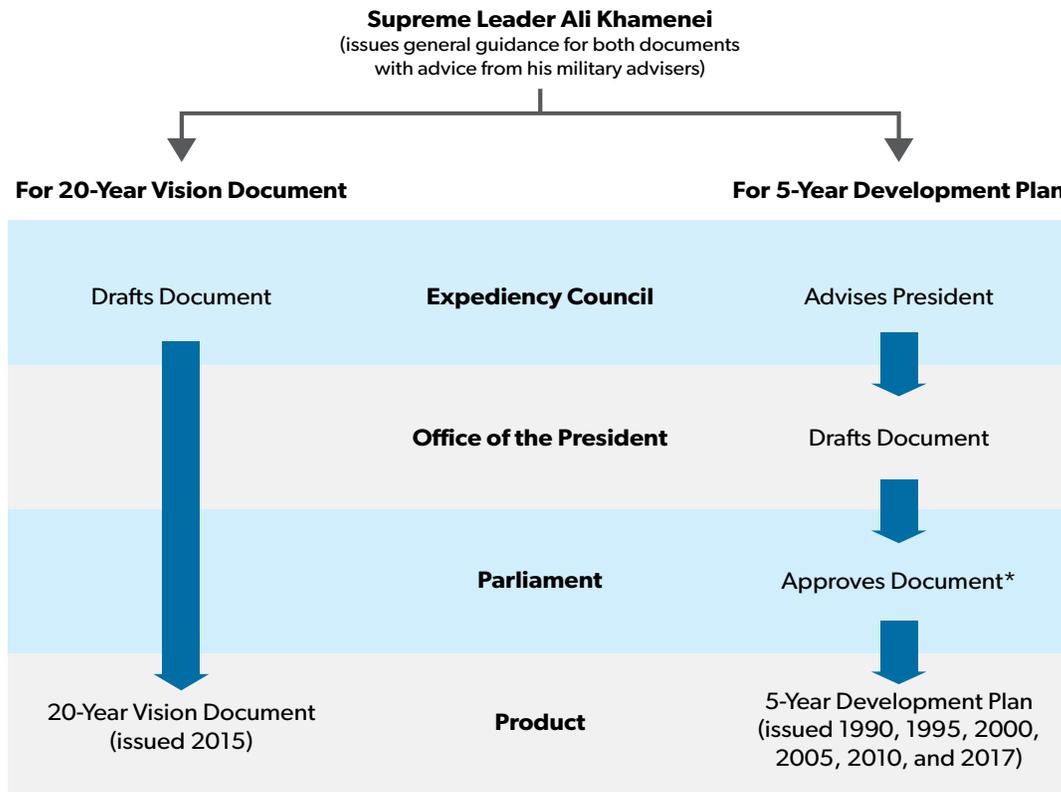
released by the supreme leader and the president and ratified by the legislature do set priorities and boundaries for doctrinal development debates, their comprehensiveness improving with each iteration. However, the vision document and five-year plans do not resolve those debates. That is left to the AFGS and the individual services of the IRGC and the regular Artesh. There is a circular element to this process (as detailed in Figure 1), as the senior AFGS officers advise the supreme leader, sit on the Expediency Council, and engage with the legislature during the development of the guiding documents. New strategies, war-fighting concepts, techniques, tactics, and procedures are operationalized through procurement and training policies.

Procurement and Policy Organizations. Procurement policy and capability generation are implemented primarily by Ministry of Defense and Armed Forces Logistics (MODAFL), although agencies such as the Passive Defense Organization and the Supreme Council of Cyberspace (SCC), formed in 2012, lead the development and employment of their respective platforms given their increasing importance for internal defense and need for intragovernmental coordination.¹² In a June 2015 interview, the newly appointed head of the AFGS Cyber Headquarters, IRGC Brigadier General Second Class Behrouz Esbati, specifically compared his role to that of IRGC Brigadier General Gholam Reza Jalali, the head of the Passive Defense Organization.¹³ Esbati explains deficiencies in the SCC but notes that its status should be protected.

Coordination of war-fighting strategies and contingency planning for the military rests in the AFGS's staff elements, most likely centered in the strategic planning and deputy commander's offices. The IRGC and Artesh staffs, however, likely shoulder the majority of the planning requirements themselves. This relationship among the staffs is unclear, although the recent AFGS personnel changes may indicate that the AFGS is increasingly important in managing this process.

Another uncertainty is the role of the recently revived Khatam-al Anbiya Central Headquarters under former AFGS Deputy Chief Brigadier Gholam

Figure 1. 30,000-Foot View of the Doctrine Formation Process



*2016–21 plan passed in January 2017

Source: The author, adopted and modified from Fariborz Pir Islami, "National Security in Light of the 5th Development Plan of the I.R.I.," *Journal of Defense Policy* 20, no. 78.

Ali Rashid, who assumed command in July 2016. Khatam-al Anbiya played a significant role in the Iran-Iraq War by coordinating operations between the IRGC and Artesh, and command of it has been referred to as one of the most prestigious positions in the military.¹⁴ However, the AFGS was created to make up for the failings of Khatam-al Anbiya, which apparently has not had a commander since the 1980s.¹⁵ Khatam-al Anbiya's resurrection shows a new emphasis on improving intermilitary operational coordination in addition to allowing for fresh blood in the crucial AFGS deputy position.

Training and Education Organizations. Responsibility for interservice doctrine and training rests primarily with the IRGC's and Artesh's Command and

General Staff colleges, collectively known as Dafoos. The IRGC's and Artesh's individual Command and General Staff schools were merged in 1990 as part of post-Iran-Iraq War efforts to professionalize the postrevolutionary military, although each side retains a degree of operational autonomy. The individual services in the IRGC and Artesh appear to retain their own professional military education (PME) institutions for doctrinal purposes.

At the more strategic level, training and education for rising senior military leaders from all services are conducted at the Supreme National Defense University (SNDU), which reports directly to the AFGS. As mentioned earlier, the Passive Defense Organization is responsible for coordinating the development of cross-government training and education of Passive

Defense, although a large focus of the organization is also to sponsor scientific research into better deception, concealment, and hardening of vulnerable military and civilian targets against superior US and allied air power. The Supreme Council for Cyberspace may eventually develop the capacity to play a similar role on the IRI's cyber policy.

IRI Culture of Strategic Research

These key nodes for development of IRI military doctrine—the SNDU, the IRGC's and Artesh's Command and General Staff College, and the Passive Defense Organization—are joined by numerous government-controlled think tanks and several academic institutions devoted to research and education on military and security issues. The IRI government invests significantly in these organizations, which together form a dense network of technical knowledge policy influence. Figure 2 details key elements of this network.

Only China and Russia have anything like the IRI's system of official, government-sponsored think tanks and universities devoted to strategic and military research.¹⁶ Certainly other states in the region do not have anything comparable.

These two dozen or so institutions are all connected to specific parts of the government. The most important nonmilitary think tank is the Center for Strategic Research (CSR), which is directly connected to the Expediency Council and the Office of the Supreme Leader. The CSR is currently headed by Khamenei's most senior foreign policy adviser, Ali Akbar Velayati. Hassan Rouhani led the center during Mahmoud Ahmadinejad's presidency, before Rouhani became president in 2013. The president's office, most of the major cabinet offices, and the parliament (Majles) all have their own respective think tanks.

The IRGC's massive Imam Hossein University (IHU) dominates research and education on the military side. In addition to its undergraduate and graduate programs, IHU houses the IRGC Command and Staff College (where Rashid is a professor) and about seven research centers. The most important of these

appears to be the Center for Defensive National Security Studies. Four additional doctrinal and military research centers exist directly under the IRGC staff, all likely maintaining education relationships with IHU.

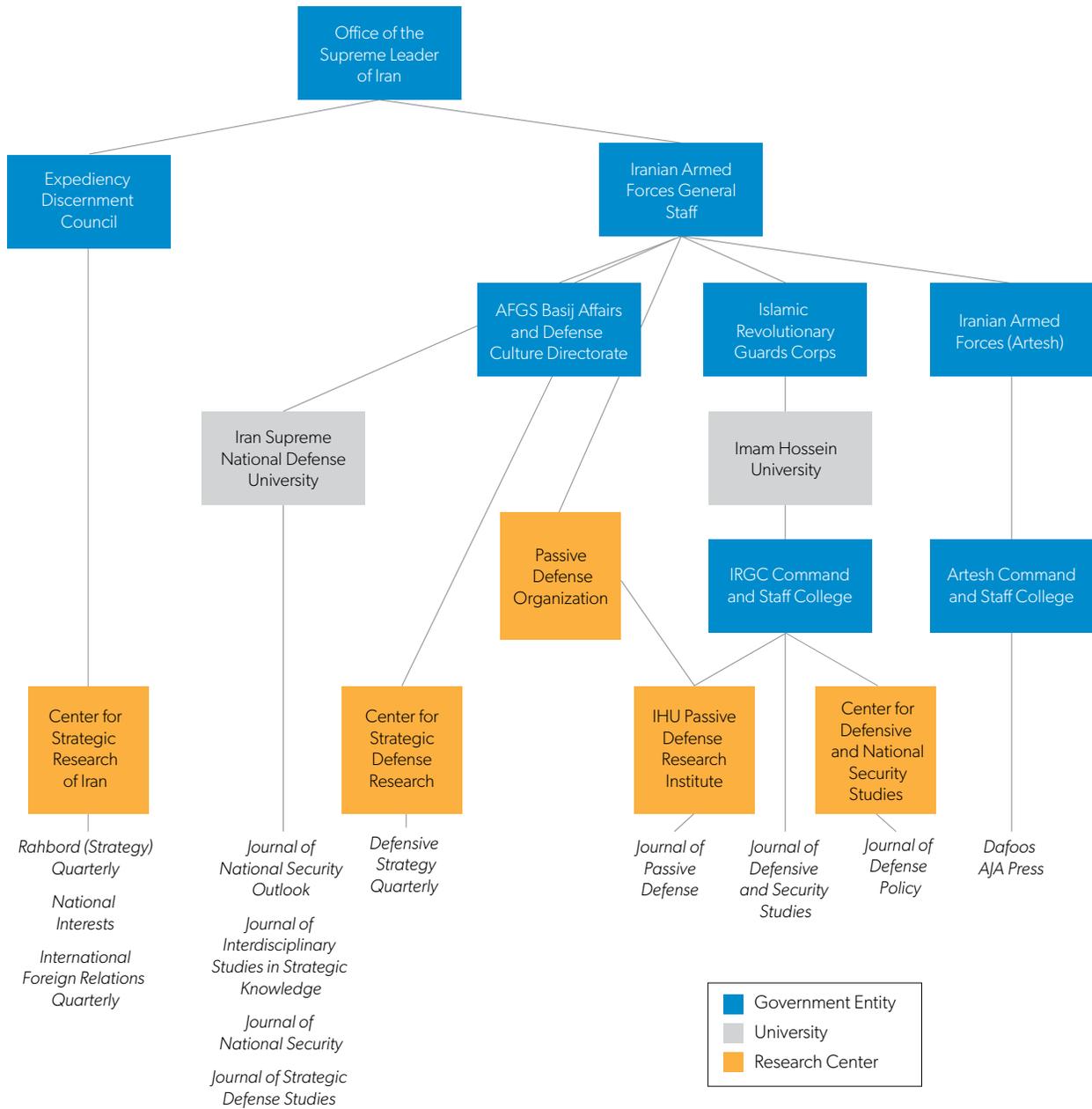
Aside from its Command and Staff College, the Artesh's main think tank is the Center for Strategic Defense Research. The center's director is Ahmad Vahidi, the former defense minister and current chair of the Expediency Council's Security and Defense Committee.

As shown by the experiences of key personalities such as Rouhani, Velayati, and Vahidi, the leadership of Iran's most important research institutions are considered powerful and prestigious positions. Those institutions also play roles similar to US think tanks in providing a place for political leaders to remain part of the game when they are out of power, as Rouhani did at the CSR when he left his senior government positions under President Khatami during the Ahmadinejad period.¹⁷

Other important figures include these institutions' board members and those authors published frequently in the major journals published by these think tanks. The CSR publishes *Rahbord (Strategy) Quarterly*, *National Interests*, and the *International Foreign Relations Quarterly*. The Center for Defensive National Security Studies publishes the prominent *Journal of Defense Policy*.¹⁸ The command and staff colleges publish *The Journal of Defense and Security Studies* and *Military Science and Tactics*. The SNDU has the *Journal of Strategic Defense Studies*, while the Passive Defense Organization under Gholamreza Jalili has numerous publications for different audiences.

Together, key military and national security leaders such as Rashid, Rouhani, Velayati, Vahidi, and Jalili, along with the most frequent and cited authors at these major journals and think tanks (many of whom were those government leaders' professors), form a thought oligarchy that reflects and shapes the IRI's development of military doctrine and strategy. Understanding this collective group's writings, theories, and worldview is crucial to comprehending IRI doctrine and helps form the basis of the findings in this section.

Figure 2. The IRI's Military and Strategic Research Think Tank Network



Source: Author.

Historical and Ideological Influences on IRI Doctrine

In the prerevolutionary period, the Iranian state developed from the Persian Empire through the Islamic conquest, the Shia conversion during the Safavid dynasty, and the humiliation and weakness of the Qajar dynasty, which produced a military under the Pahlavi shahs in the 20th century that struggled with its relationship to modernity and its religious and political nature. Most of these insecurities and unresolved issues carried over into postrevolutionary era, even as new ideological concerns became dominant and Iran faced two external existential threats—Iraq and the United States. The IRI's unique structure and current military thinking are arguably reactions to these overlapping factors.

Historical Literature

As noted in Section I, there is not a defined canon of Iranian military thought or doctrine.¹⁹ Historical influences, especially pre-1979 influences, on IRI doctrine are certainly still present, although their effect on modern thought is not always obvious.

Part of the reason there is no clear Persian analogue to Sun Tzu or Carl von Clausewitz, authors whose works are taught in modern classes on military strategy in the Western world, is that Persian traditions of military strategy were mostly oral. Few written works were passed down to modern times.²⁰

This does not mean historical conflicts are not cited in modern Iranian military research and doctrine. Specific battles and campaigns of the Islamic wars of the seventh century, for example, are discussed in recent PME works, along with well-known battles in Western history, to explore

useful operational concepts, tactics, techniques, and procedures.²¹

Religion

Islam had profound effects on the Iranian worldview since the seventh century. Discerning the exact scope of religion's impact on modern Iranian strategic thinking before the Islamic Revolution is difficult. Although the faith permeates the culture, the Quran itself is not well suited to guiding operations and tactics. However, the role of divine will and religious devotion as the most important contributor to military victory was a recurring theme in Iranian military history before 1979, although perhaps more on the margins than inside the imperial army itself.

The fabled Assassins of the 12th and 13th centuries were an Ismaili Shia political-religious sect in Persia and Syria whose fighters, the original fedayeen or “those willing to sacrifice themselves for God,” were motivated by promises of paradise and a desire to fight Christian crusaders and unjust Islamic rulers. The idea of fedayeen would reoccur several times in Iran during the 20th century, with groups such as Fadayan-e Islam, which opposed the more secular direction of the Iranian state and targeted opposing politicians for assassination during the 1950s.

The continuation of the ethos and aesthetic of the fedayeen in Iranian culture into modern times is likely tied to the elevation of martyrdom in warfare in Shi'ism. Since the conversion of the Persian Empire to Shia Islam in the 16th century under the Safavid dynasty, the reverence paid to Muhammad's grandson and the third Imam in Shia Islam, Hossein

ibn Ali, for his sacrificial death at the Battle of Karbala (680 CE) is a central tenet on Iranian religious thought and political rhetoric. The veneration of the martyr challenging the more powerful foe is also a recurring theme in IRGC rhetoric since its founding, manifest in the first modern suicide bombers in the IRGC's proxy group Lebanese Hezbollah in the early 1980s and the language used to describe Iranian and allied casualties in the current conflict in Syria.

Related to fedayeen is the emergence of mujahideen groups, or those who fight jihad, at times in Persian history. The most famous of these periods was during the first part of the 20th century when a group of Persian nationalists, angered by the decrepit rule of the waning Qajar dynasty and the heavy-handed imperial behavior of Russia and the United Kingdom in the state, began organizing themselves into mujahideen in several cities. These groups not only fought to resist British or Russian domination in their respective cities but also became central players in pushing for reform during the 1906 constitutional revolution. Several groups during the 1970s revolutionary period also were called mujahideen. Fighting jihad would later become a central concept in the IRGC's strategic thought and approach to warfare, especially in its proxy wars abroad.

Dual Militaries

Persian and Iranian leaders have historically struggled to not only establish effective national security forces but also subsequently modernize those forces. This was especially true in the 19th and 20th centuries. At the heart of the problem was the central leadership's inability to raise and control a large-standing army without those forces still ultimately being beholden to the tribes or cities from which they originated. The shah was normally forced to compromise with local notable and warlords to maintain and direct the imperial army. These circumstances also created significant distrust between the king and his army, frequently leading the shah to establish smaller elite forces—larger than what might be typical for a praetorian guard—that could

be effectively trained and would remain loyal to him alone.

The most well-known of these more elite forces was the Persian Cossack Brigade. Established in the 1870s, the unit was modeled after the Imperial Russian Cossack Brigade and led mostly by imported Russian officers, with some Iranian officers. Reza Shah, who led a coup against the last Qajar shah in 1921 and then founded the Pahlavi dynasty in 1925, was a powerful officer in the Cossack Brigade.

The Gendarmerie's creation is another example of Iran's struggle to modernize its military structures. The postrevolutionary government established the Persian Gendarmerie in 1910 to guard roads and protect cities, absorbing mostly the locally oriented mujahideen units. Given the traditional armed forces' inability to maintain domestic stability, Reza Shah later integrated the Cossack Brigade (Iran's most effective fighting force) and the Gendarmerie (Iran's most trusted fighting force) as the foundation of his new imperial army.

This pattern of dualing militaries, only one of which enjoys the trust of the national leadership, continued through the 1979 revolution, with Ayatollah Ruhollah Khomeini creating the IRGC as a force loyal to him and the Islamic Revolution. However, Iran's conventional army (the Artesh) was retained because entirely disbanding the shah's army would have left the state almost defenseless from foreign enemies.

Foreign Influence

The internal political and military weakness of the Qajar and Pahlavi dynasties left them constantly vulnerable to the machinations of the European empires, especially Britain and Russia. Iran's encounters with modern European armies exposed how far behind militarily the Persian army had become. In addition to the Russians that led the Cossack Brigade, various shahs would bring in officers from Britain, France, Germany, Sweden, and the United States during the 20th century to train, organize, and sometimes even lead their forces.

The US influence on the Iranian army after World War II was, of course, dominant. Regardless of any need to draw from Iran's historic or religious heritage, the desire to modernize quickly drove Mohammad Reza Shah's wholesale adoption of US and other Western training, equipping, and advising. From 1946 to 1979, the United States military assumed a substantial role in training and equipping Iran's military forces.²²

The US effort occurred first under the US Army Mission Headquarters (ARMISH) and then under the US Military Assistance Advisory Group (MAAG) in 1950. Under ARMISH and MAAG, the United States was almost entirely responsible for training and equipping Iranian armed forces.²³ The training included not only weapons transfers and education but also translations of US Army military manuals and regulations and assistance in designing war plans. Equipment transfers included US armored vehicles, self-propelled artillery, TOW missiles, M-47 tanks, M-60 tanks, and four US I-HAWK SAM battalions, along with 220 US helicopter gunships and nearly 400 other helicopters.

The shah invested heavily in his air force, acquiring not only F-5 Tigers but also F-4 Phantom fighter-bombers and F-14 Tomcats. Some members of the shah's military—especially the air force—defected following the 1979 revolution, taking with them the knowledge and skills they had gained from US and foreign trainers. However, the new Islamic Republic did retain some knowledge and kept much of the equipment operational. For instance, the F-4 Phantom fleet, although significantly degraded, retains some operational capability, as witnessed in late 2014, when the Artesh's F-4 Phantom fighter jets conducted several air strikes in Diyala, Iraq.²⁴

Legacy of the Islamic Revolution and Iran-Iraq War

The Western war-fighting techniques and doctrines that the Artesh possessed were largely retained after 1979, but the force was relegated mostly to defending Iranian territory. Most senior officer corps and other

leaders were also systemically purged, especially after the Nojeh coup attempt in 1980 by the Iranian air force.²⁵ The postrevolutionary Artesh was in a state of complete flux when Saddam Hussein invaded in 1980.

The IRGC, on the other hand, was a brand-new organization thrown together when the Iran-Iraq War broke out. Its first mission was to defend the regime from counterrevolution, not to engage a regional military power like Saddam's army.

Although the corps possessed the revolutionary passion to endure hardship and persevere, they possessed little to no doctrinal traditions. There were no foreign military advisers and little international assistance. The IRGC acquired even basic offensive and defensive tactics through trial and error. If there were ideological factors that drove why the IRGC fought, there were few limitations on how they fought as long as their actions could be justified as meeting revolutionary or state security objectives.

The IRGC lacked a culture of strategic planning. This limitation was highlighted by former IRGC Commander Mohsen Rezaei, who noted that the overall commander Akbar Hashemi Rafsanjani never asked for military plans for Iranian victory over Iraq from 1982 until shortly before the war ended in 1988.²⁶

Because of these limitations, the IRGC—supported by a weakened Artesh—took an ad hoc doctrinal approach during the eight-year conflict. In the aftermath of the war, the IRGC founded numerous journals, think tanks, and other educational institutions dedicated to understanding the lessons of the war. It is hard to underestimate the degree to which the Iran-Iraq War seared itself into the memory and worldview of the IRI's leadership. The military's subsequent cementing of its doctrinal focus around three main axes—proxy warfare, asymmetric warfare (especially naval defense), and ballistic missiles—in addition to internal defense can be directly traced to the experiences of the conflict. These three main axes are discussed in more detail below.

Proxy Warfare. The Iran-Iraq War drove the IRGC to find new ways to fight conventional foes such as Iraq and the United States and promulgate its ideological mission to expand the Islamic Revolution's

reach to the rest of the Muslim world. The IRGC began its intervention in the Israel-Lebanon War in 1982, working with Syria's Hafez al-Assad partly to help show it should lead the Islamic fight against the Jewish state but also to help secure Syria as backdoor pressure on Iraq.

Originally, the IRGC wanted to pursue a more conventional intervention, asking to deploy IRGC brigades into Syria and then Lebanon. When Assad refused an overt presence of Iranian forces on his territory, the Iranian leadership turned toward an advice and support mission to the Syrian army. The IRGC also began working with some of the existing Shia militia groups in Lebanon to build Lebanese Hezbollah, a formidable guerilla loyal to the Islamic Revolution's ideals and created to fight Israel and expand Iran's ideological influence.

Based on Lebanese Hezbollah's success, the IRI found a path forward with proxies and by using terrorism (including suicide bombing) to advance its foreign policy goals. As noted before, the IRGC and especially its elite Quds Force drew from the ideals of the mujahideen and fedayeen in its emerging concepts of proxy warfare. Never before, though, had guerilla-type warfare been the focal point of the Iranian state's projection of power, as opposed to something that exists on its margins.

The formation of proxies in the form that Lebanese Hezbollah and subsequent regional groups took was also distinct from the mujahideen and fedayeen of old. These organizations appear to share a lot more characteristics with the Maoist and Marxist guerilla groups of the 1960s and 1970s and with the Afghan mujahideen fighting the Soviets in Afghanistan. The IRGC's absorption of these models into its proxy warfare doctrines would not be surprising given the IRI's ideological sympathies with such groups and its practical approach to adopting whatever appears to work best. This theory merits further historical examination.

Asymmetric Warfare. As discussed more extensively in Section II, the conflict between the United States and the IRI during the Tanker Wars (1987–88) pitted a nascent IRGC naval force consisting of small

speedboats, mines, and cruise missiles against the US Navy's power. The Artesh Navy also engaged but was quickly outgunned, losing almost half of its capital ships. The IRGC's approach, in facing such a formidable foe, proved to be more resilient and difficult for the United States to defeat, even though the IRGC forces were not victorious in the end. The IRGC's asymmetric warfare would be cemented as the primary offensive and deterrent doctrine for Iran.

Ballistic Missiles. Saddam Hussein initiated the war of the cities in 1984 by sending ballistic missiles into western Iranian cities to terrorize the population. The Iranian leadership eventually responded in a similar manner but struggled to develop a missile production, launching, and targeting capability on par with Iraq's. The psychological effect of Iraqi missiles, though, ensured that Iran would continue to focus on its missile program as the centerpiece of its conventional military power long after the war ended.

The Artesh's inability to maintain an effective or modern air force after the revolution also left Iran with missiles as its primary option to overtly strike its distant adversaries, such as Israel, if needed. The program is now the centerpiece of Iran's retaliatory deterrence and is considered an existential element of Iran's defenses.

The Impact of the United States

Iraq aside, no power has threatened the IRI's existence like the United States has. The Persian Gulf War in 1991 and Operation Iraqi Freedom in 2003 solidified the supremacy of American conventional power in the minds of Iranian military thinkers. These wars also instilled the centrality of developing doctrines to defend against, dissuade, and undermine the inherent advantages of the American way of war.

The most notable of these are Passive Defense, developed after the Persian Gulf War to deny US air and missile power the ability to effectively identify and destroy critical Iranian targets; Mosaic Defense, developed after the Iraq invasion to withstand an invasion and mobilize a large dispersed guerilla force,

fedayeen-style, to retake the country; and the IRGC Navy's focus on expanding the risk envelope from missiles and submarines for US maritime operations further into the Persian Gulf, Gulf of Oman, and Arabian Sea, typically referred to as anti-access area denial (A2AD) by American strategists.

Recognizing US military superiority is also evident in the prolific citation of American strategists and doctrinal writers in Iranian journals. Understanding, learning, and adopting from one's adversary remains vitally important to the IRI leadership.

Historical memories and ideological concerns shape the IRI's approach to war and military doctrine,

but they do not determine them. Certain legacies appear to have lasting impact and will continue to shape the Iranian military for at least the next generation, including the need for dual militaries, concepts of martyrdom, and the aftermath of the Iran-Iraq War.

Other factors could diminish in importance in coming years as ideological zeal may wane and Iran's threat perceptions change, especially if fighting lower-intensity regional wars, rather than confronting the US, becomes the IRI's more dominant focus. While Tehran's worldview will never escape history, the IRI military has its own legacy of pragmatically adopting new approaches when necessity demands.

Key Characteristics of IRI Doctrine

Based on these key historical influences and formal processes, as well as a review of available IRI doctrinal materials, relevant senior leader statements, and major Iranian military exercises over the past five years, some broad conclusions can be made about the characteristics of Iranian doctrine.

IRI doctrine does not generally descend from revolutionary ideology and Islamic morality.

The Iranian approach is largely pragmatic, with most doctrine developed from lessons learned in previous conflicts or observation of successful military operations by other countries. One cannot simply study the Quran or Ayatollah Khomeini's writings to discern how the Iranian military will fight in future conflicts.

Some exceptions include the religious influences and historical legacies of the fedayeen and mujahideen, which have shaped the activities of the Quds Force and strategies such as the Mosaic Doctrine. The IRI's preference for asymmetric operations may also be related to the Shia sense of minority and victimhood and the esteem given for a righteous but weaker force standing up to a powerful but immoral state. However, the relative strength and exact source of the preference for asymmetric warfare remains a key unknown in predicting longer-term trends in Iranian military capabilities and thinking.

Formation of specific IRI doctrine aims to find more effective, pragmatic solutions to security challenges within the framework of the state's ideological objectives. Since the end of the Iran-Iraq War, the increasing formality and complexity of the IRI's system for strategy and doctrinal

development show a degree of sophistication and deliberateness. Most doctrines, however, are still likely more ad hoc in nature, developed in response to each successive security challenge. For example, the Quds Forces' development of ideological proxies and hybrid warfare techniques in Iraq and Syria point to a mixture of religious and geostrategic motivations tailored to the crisis in each theater.

There is explicit incorporation of the best of foreign doctrine, especially US doctrine. As ideologically opposed as Iran is now to the United States and the West in general, there appear to be few if any prohibitions to adopting doctrinal lessons from American or European military sources. Similarly, there is little restriction on employing effective foreign military technologies in war-fighting concepts. This follows almost 200 years of Iranian military tradition of sanctioning the adoption and subsequent Iranianization of anything proven to be effective in war.

Ideological and moral justification for any doctrine are essential for the IRI military. Despite an overall practical approach, anything developed as military techniques or war-fighting concepts still requires some level of ideological approval from the state. Under the religious authority of the supreme leader and his representatives in the military chain of command, these ideological justifications are often provided ex post facto. A large portion of the professional education and writings from the IRI's staff colleges, think tanks, and military education efforts is devoted to the morality of fighting and the morality of the soldier.

Ideology and morality can provide the framework or boundary of IRI doctrine. Revolutionary ideologies or Islamic moral considerations may not produce Iran's current war-fighting concepts, but they can provide the objectives for Iran's foreign policy and the IRGC's objectives in conflict. There is an open question as to whether revolutionary ideology restricts the development of IRI offensive conventional doctrines in any way, but it does provide at minimum a working framework for the organizational structure and mission for the IRGC, especially the Quds Force.

Although IRGC operations in Syria continue to exhibit conventional characteristics, such as the deployment of unmanned aerial vehicles in support of operations, the IRGC appears hesitant to cross the line of defensive, deterrent, and asymmetric warfare. Islamic moral considerations on retaliation, for example, also generally limit the IRI leadership's willingness to employ force in a manner considered disproportionate, at least with conventional power, missiles, and cyber.²⁷

Competing military structures will remain an inherent feature of Iranian doctrine and strategy. The structural reasons for the IRGC and the Artesh to exist, as discussed above, are unlikely to go

away as long as the current regime's ideology remains largely intact. The IRI leadership appears to be engaging in stronger efforts to improve interoperability, driven particularly by the increasing need for Artesh support in the IRGC's wars in Syria and Iraq. Distrust between the two services remains relatively strong, and the IRGC's political strength in the system will likely remain or deepen, especially as Iran transitions to a new supreme leader. The IRGC will likely take on more conventional aspects, and the Artesh will continue to be the subordinate force.

Iran sees warfare in 360 degrees. As a revolutionary state constantly worried about instability and counterrevolution triggered by its adversaries in conflict, the IRI sees war as being simultaneously fought on domestic and foreign fronts. Doctrine often addresses internal defense and external deterrence and offensive and defensive requirements simultaneously. This is a constant theme in IRI strategic writings and senior military leadership statements. Artesh and especially IRGC doctrines for air power, cyber, ballistic missiles, and naval power reflect a blending from defense to deterrence to power projection. This idea is key to understanding IRI doctrine holistically.

A Model of IRI Doctrine

Based on these assessed and observed characteristics in Iran's strategic and military thinking, a general conceptual model for Iranian doctrine can be built. An important distinction between most Western doctrines and the IRI's is that the division between internal and external operations is more fluid or permeable.

Because Iran sees warfare in 360 degrees, the front lines of the conflict are expected to open almost anywhere. Tehran anticipates its adversaries may attempt to undermine the government or its hold over the population when engaged in conflict with Iran or its proxy forces. Similarly, Iranian leaders suspect instability at home will be either caused or exploited by Iran's enemies, requiring potential retaliation or covert engagement abroad.

As both the defender and exporter of Iran's revolution, the IRGC is designed to fight at home and abroad simultaneously. Most of its major components have roles in internal defense and foreign operations, save the naval and ballistic missile services, which are focused on external conflict. The doctrines that the IRGC Ground Force or Air Force employ to fight insurgents or prepare to repulse a potential invasion can be modified to aid the IRI's proxy and partners abroad, as seen in their deployment of counterinsurgent specialists, employment of drones, and use of artillery in Iraq and Syria. The mobilization, indoctrination, and paramilitary capabilities of the IRGC's Basij, which is designed to secure the population in crisis, are being directly exported into Iraq and Syria by deployed Iranian Basiji fighters and by newly formed local forces created to emulate them.

The Artesh is more traditionally structured, of course, with territorial defense and power projection doctrines, although the latter have withered since 1979. However, given Iran's doctrinal focus on the potential invasion or major military operations

by the US, Artesh forces can be expected to support the IRGC in absorbing and repelling a force that attacks Iranian soil. The Artesh ground and air forces, including Special Forces, also begun supporting IRGC operations in a similar manner in the Iraq and Syria conflicts.

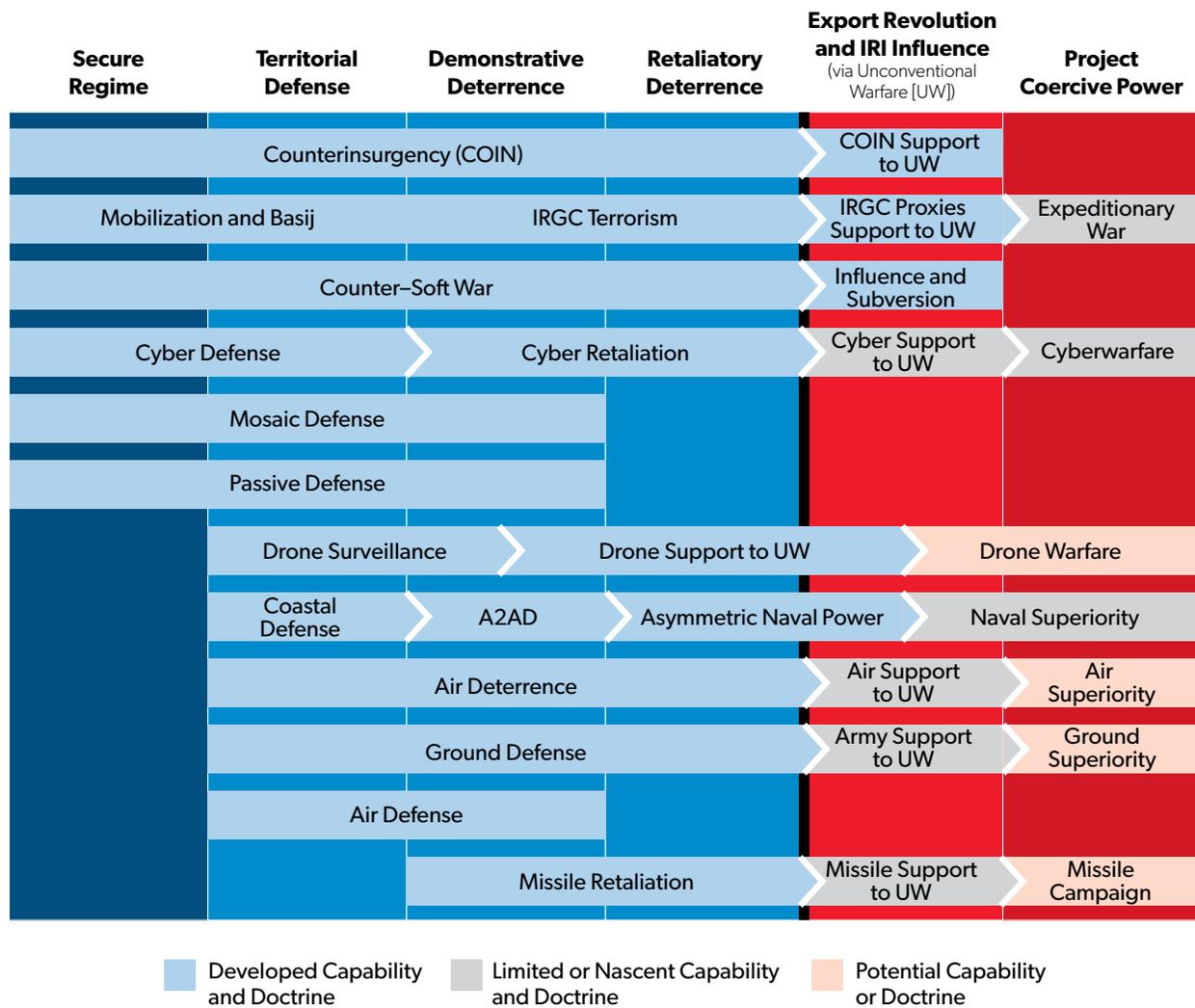
To better understand the current landscape and potential evolution of Iran's military capabilities, it is useful to examine more specifically how its major strategic doctrines align across the spectrum of the IRI's concepts of defensive and offensive warfare. Figure 3 displays the IRI's major doctrines as they support (or do not support) Tehran's objectives for defense of the state and regime or the leadership's desire to project its ideological influence and strategic power. Most importantly, Figure 3 helps reveal what is distinctive or notably absent in current Iranian strategy and capabilities, especially offensive doctrines. The figure also helps visualize the permeable membrane between IRI offensive and defensive operations.

Defensive Doctrines

Since Iran remains defensive oriented militarily, it is not surprising there are greater investment and diversity in its defensive doctrines. For the IRI, these doctrines are designed around four primary objectives:

Securing the Regime. All states seek their own survival. As a state constantly guarding against counter-revolution, Iran must also protect the nature of its government, not simply its territory and leadership, against threats from within its own population and subversive activities of its enemies. The IRI created specific organizations such as the Basij for domestic mobilization and has tasked elements of the rest of its military and security forces to protect the 38-year-old

Figure 3. Categories of IRI Doctrines



Source: Author.

revolutionary system of governance and to secure the Iranian people above all.

Territorial Defense. Physically defending the Iranian homeland is a straightforward mission through its air, ground, and maritime defenses. However, the significant conventional power imbalance between Iran and its most feared adversary, the United States, has driven Iran to create Passive and Mosaic Defense doctrines to provide cost-imposing deterrence strategies in addition to more creative physical defenses.

Even the IRGC Navy’s focus on growing A2AD capabilities should be understood in this context. These doctrines aim to dissuade Washington from using major or even regime-threatening military force against Iran by making such operations appear too costly.

Demonstrative Deterrence. The IRI also conducts more standard deterrence operations to display its willingness to use force in defense of the state or its critical interests. These typically include shows of force through military exercises, equipment displays

(which are frequently faked), missile tests, and of course, threatening propaganda from either Tehran or one of its proxies. Many of the IRGC Navy's frequent aggressive activities against US naval forces or civilian shipping in the Persian Gulf aim to remind the IRI's opponents of its increasing asymmetric or A2AD ability to disrupt their maritime operations. These capabilities and operations should also be considered as part of the IRI's demonstrative deterrence defensive doctrines. Those familiar with US doctrine will see similarities here to flexible deterrent operations.

Retaliatory Deterrence. The centerpiece of the IRI's deterrence strategy is responding to any attack with appropriately painful retaliatory actions that can convince an enemy either not to initiate conflict in the first place or to de-escalate quickly. Iranian military leaders often refer to this doctrine as Threat in Response to Threat.²⁸ The terrorist and asymmetric war threat posed by the IRGC Quds Force and its proxies and partners, the so-called axis of resistance, is the most important capability in this category. Missile forces are a close second, which compensate for a lack of effective long-range air power. The continuing relative inaccuracy of Iran's ballistic missiles means they are still mostly terror weapons incapable of deliberately taking out an enemy's critical military nodes, although the IRGC's cruise missiles increasingly help close this gap. The IRI is also developing cyber as a third major prong for retaliatory deterrence. Those familiar with US doctrine will see similarities here to Flexible Response Operations.

Offensive Doctrines

The IRI's offensive doctrines are far less varied and developed in comparison with its defensive ones. These doctrines are designed around two primary objectives.

Exporting the Islamic Revolution and IRI Influence. The IRGC or its proxy forces, such as Lebanese Hezbollah, conduct unconventional or asymmetric warfare, including information operations,

cyberattacks, and covert activities, against its opponents in support of Tehran's regional and global foreign policies. The limited or nascent capabilities in the fifth column of Figure 3 are relatively new developments driven in part by the conflicts in Iraq and Syria. The need to preserve IRI proxies and interests in these theaters has driven a whole new development of cyber, air, army, drone, special forces, and counter-insurgency support in the Artesh and the IRGC.

Projecting Coercive Power. The IRI's offensive doctrines have remained almost entirely unconventional, save for the noted trends visible in the current conflicts in Syria and Iraq, and some legacy capabilities in the Artesh. Conventional elements such as openly attributable Iranian personnel, drones, artillery, transport flights, and limited air strikes are increasingly integrated into what amounts to IRGC-led expeditionary warfare.²⁹ As creative and complex as some of these capabilities are, their emergence was driven by the insufficiency of the IRGC's more typical advise, equip, and local proxy formation doctrines. Although these doctrines proved effective in Iraq after 2003, they have not turned the tide for President Bashar al-Assad's forces in the Syrian civil war or successfully rolled back ISIS in Iraq. Iran did not necessarily want to pursue this doctrinal path at the outset and may pull back from it if the conflict begins to resolve.

Regardless, the IRGC and even the Artesh have created new, more advanced asymmetric operational capabilities that will inform and drive further expansion of offensive asymmetric, unconventional, and possibly conventional warfare doctrines.

IRGC Navy Commander Admiral Ali Fadavi has recently reinforced Iran's intentions to increase both its defensive and offensive abilities in the maritime arena following the introduction of the new high-speed catamaran that can carry 100 personnel and a helicopter.³⁰ The Artesh Navy also retains the ability to project at least limited power as it conducts antipiracy missions in the Arabian Sea and attempts to expand its operational range into the Indian Ocean and Mediterranean Sea.³¹ The IRI's cyberattack abilities have so far been used predominantly for retaliatory deterrence. Those same capabilities have been

used in support of unconventional warfare and could easily be employed for offensive coercive goals.³² More so than other domains of warfare, this is more a choice of doctrine and political will than of capability.

Overall, however, the IRI continues to lack classical offensive doctrines to project conventional military power aiming to coerce an opponent; seize ground, air, or maritime space; or destroy an enemy's forces. In its exercises or strategic writings, the Iranian military has not demonstrated an ability or focus on establishing air or naval superiority or capturing and sustainably controlling territory beyond Iran's borders.

Its missile forces, as mentioned above, are still designed to deter, retaliate, and terrorize. They remain too inaccurate to be an effective or reliable component in an offensive campaign to achieve discrete military objectives, such as taking out Saudi Arabian air defense, command, and control centers. Iran's cruise missile force, which has greater accuracy than its ballistic force, could be used in support of offensive unconventional or conventional warfare.

However, the gaps in IRI offensive capabilities and doctrines remain stark. The next section explores why this may be and whether it will change.

Conclusion

As UN sanctions on Iran's military imports expire over the next decade, US defense planners and policymakers are faced with key questions: Will Iran's approach to the development and use of its military change as the IRGC and Artesh begin modernizing? Will Iran become a more balanced or conventional military, like its neighbors Turkey and Pakistan, and revive a focus on its offensive capabilities and doctrines?

To answer these questions requires understanding how many of the drivers and internal tensions that form IRI's doctrines also shape its decision-making about its future force. Four factors will likely dominate the Iranian leadership's debate over military modernization, particularly regarding any major shift into offensive conventional capabilities.

Increasing Resources

Since 1979, Iran's economic limitations and restricted access to many modern military technologies have hampered any ability to compete with its regional rivals, let alone the United States or other world powers. Building and maintaining a modern blue-water capacity from the remnants of the shah's old navy has been a near-impossible task, especially after the United States sunk almost half the IRI's capital ships during the Tanker Wars. Tehran's air strike capacity is severely limited after going for decades without consistent access to spare parts on the international market. However, the IRI's ingenuity to develop weapons indigenously and reverse engineer platforms from China, North Korea, and Russia has been impressive.

More resources and technology will go to the Iranian military after the JCPOA sunsets. The big questions are how much will be allocated and to which types of programs. Tehran faces the standard guns-versus-butter debates, and President Rouhani

has tried, and failed, to keep the 2016 defense budget from increasing significantly to focus on other tax and domestic issues.³³

Regardless, the IRGC has extensive off-the-books financial sources. If something is important to the IRI military leadership, there are likely ways to fund it somehow. However, it will be impossible for the Iranian leadership to simultaneously bring its air, air defense, intelligence surveillance reconnaissance systems, naval, and armored ground forces up to modern standards in the next few decades. Modernizing Iran's air force could cost tens of billions of dollars, yet the current budget allocates only \$5.3 million to refurbishing the air force fleet.³⁴ If Tehran decides to move into offensive capabilities in a significant manner, it can likely choose only a few domains of warfare.

Growing Artesh Confidence

The Artesh historically possessed Iran's offensive conventional capabilities. Since 1979, however, the IRI leadership's sustained distrust and political marginalization of the Artesh have contributed to the relative atrophy of most of Iran's classical air force, army, and navy. Although the IRGC has also acquired conventional weapons over the years, aside from its ballistic and cruise missiles, these capabilities are not yet in sufficient numbers to likely be used in offensive military campaigns.

One path for Tehran if it wants to become an offensive conventional power is for the IRGC Air Force, Navy, and Army to shift their focus from internal stability and unconventional conflicts abroad to a more classical military posture. This would further sideline the Artesh and be a fairly fundamental change for the corps. Another path is to simply start prioritizing investment in the Artesh, but this would unacceptably

alter the political balance with the IRGC. Rather, the IRI will likely push for greater integration of the two forces, growing the Artesh's firepower while deepening its assimilation with and subordination to the IRGC. However, unless there are significant ideological changes in the regime, the IRI is likely stuck with its dual military problem for the foreseeable future, impeding modernization.

Relaxing Ideological Limitations

Post-1979 resource and capability limitations certainly factor into the weakness of Iran's air, land, and sea power and absence of offensive doctrine. However, these limitations are arguably insufficient to explain the overwhelming prioritization of defensive and unconventional war.

There is evidence ideological considerations may underpin the IRI's aversion to offensive conventional warfare. Despite being a revisionist power trying to reshape and lead the Islamic world, the IRI always seeks to change another state from below through influence and proxies rather than alter foreign regimes through overt coercion or military power. This likely reflects, in part, a perception that driving revolution from the ground up is more outwardly authentic and sustainable.

The IRGC takes great pains to avoid perception of Iranian direct intervention or boots on the ground in Syria and Iraq, which would undermine its political narrative and diplomatic leverage. Unlike Russia, the United States, and other traditional powers, Iran has historically not established military bases in Iraq, Lebanon, Syria, or other places it has extensive operations.

Khamenei also rebukes anyone who speaks of Persian power or empire as being reactionary or un-Islamic.³⁵ Although some Iranian leaders undoubtedly possess aspirations to re-create the state's historical reach, there is great resistance among the political orthodoxy in Tehran for the IRI being seen as an imperial power like the shah or the United States. Such objectives would counter their revolutionary image and principles and emphasize divisions between

Persians and non-Persians in the Islamic world the IRI seeks to lead.

Offensive conventional warfare in itself may also threaten the Iranian leadership's perceived moral high ground. Many IRI leaders like to emphasize that Iran has not invaded another country since the early 18th century.³⁶ However, even if traditional offensive conventional warfare is not ideologically compatible with the IRI leadership's current philosophies, Khamenei or the next supreme leader could change that.

Changing Threat Perceptions

The wars in Syria and Iraq are currently the primary engine for Iran's recent doctrinal change. The challenge Iran faces in preserving allied regimes in Damascus and Baghdad demonstrates the inadequacy of the IRI military's doctrine and capabilities. The Iranian leadership's dominant investments since the Iran-Iraq War have been in the IRGC's asymmetric warfare capabilities, the ballistic missile program, and A2AD to meet the US and Israeli threat. These capabilities are mismatched, however, with contemporary challenges of regional insurgencies, failing states, and extremism.

Tehran cannot afford to lose the two wars it is currently engaged in, so it continues to escalate its involvement and deepen the complexity of its force presence in Syria. To a lesser degree, this is also true for Iraq. This emerging hybrid and expeditionary unconventional warfare, which combines increasing conventional elements and Artesh involvement, is certain to expand and improve given the stakes for Iran, regardless of the new resources and potential strategic directions available after the JCPOA. The Iranian military's involvement with Russian forces in Syria will likely also have lasting effects on IRI doctrine, as each side learns from the other's offensive tactics and approaches to hybrid operations.³⁷ The deep embarrassment of being dependent on Russian and US close air support in Syria and Iraq, respectively, is undoubtedly pushing the IRI military to examine ways to rapidly improve its longer-range fixed- and rotary-wing capabilities.

Whether threats such as Saudi Arabia and Sunni extremist groups will take precedence over the United States and Israel for Iran is the larger question. For the time being, that does not appear to be the case. However, if the JCPOA holds, Tehran will likely view Washington as a declining threat, at least from a traditional hard power perspective. US policymakers should keep in mind the dominant role American intentions and military capacity play in the IRI's long-term calculations. The IRI built its unique configuration of security forces as a means to target US weaknesses and deter US actions through the fear of painful retaliation. The IRI military's modern form is an arguably rational choice by the leadership in Tehran given the Islamic Republic's resource limitations and ideological commitment to opposing the United States.

Likely Courses

The most probable scenario is that improving capabilities during and after the JCPOA will encourage offensive conventional creep into IRI war fighting but not a wholesale shift to a more classical military posture typical of major regional powers. If decisions on recent military procurement have been driven more by capability and resource constraints, then modernization will lead eventually to increased investment in offensive doctrines and capacities for air, land, sea, and missile power. If past decisions are based more in political or ideological preferences, then modernization will lead predominately to investment in capabilities and doctrines—either conventional or asymmetric—which improve deterrence and support unconventional warfare. The IRI military would look largely the same as it does now, just better equipped.

Commitment to past patterns could also reflect a rational decision that deterrent and asymmetric power provides most of the capabilities the Iranian leadership needs to achieve its security and political objectives, which have been dominated by the need to deter and disrupt the United States' ability to coerce or even overthrow the regime in Tehran. However, the perception of a diminished US threat from an

existential military attack may free up Iranian decision makers to focus on investment in more conventional capabilities suited to combating its regional enemies. The Iranian military may also grow into certain conventional capabilities as they have increased access to technology and resources, but they continue to prefer the cost-effectiveness and strategic advantages afforded by asymmetric and unconventional capabilities.

Risk of Path Dependency

The IRI's involvement in the region's sectarian wars and the opportunity to expand its conventional capabilities as weapons restrictions ease may not be enough for Iran's leadership to pivot away from their decades-long focus on ballistic missiles, A2AD, and asymmetric warfare. Some analysts have argued that the IRI is a victim of path dependency.³⁸ The government has developed such vested institutional structures and ingrained strategic mind-sets, particularly in the IRGC, that it will be extremely difficult to reprioritize its defense industrial base and weapons acquisition programs.

Regardless of why Iran chose this path, it runs the risk of being stuck on it. This path dependency could be especially salient if moderate stability comes to the Syrian and Iraqi fronts, thereby removing a major incentive for Iran to accelerate its conventional doctrinal evolution. However, expediency—within appropriate ideological frameworks, of course—has been the unstated mantra of the Iranian military since the Iran-Iraq War. If Iran's threat perceptions demand further growth and sophistication in expeditionary warfare and a major modernization of its largely decrepit conventional forces, it will likely find a way to shift over time. It will not be easy, though, or necessarily successful.

Indicators of Change

What would indicate a shift in Iranian strategy as international restrictions loosen? More military exercises

focused on anti-access strategies and retaliation capabilities (such as ballistic missile tests) would indicate continued preference for Iran's traditional asymmetric and defensive posture. Conversely, the appointment of more Artesh officers to key decision-making positions or exercises focused on ground maneuvering or Artesh-IRGC combined operations could signal a move toward offensive conventional capabilities. Deep structural changes in Iran's defense industry organizations, such as the MODAFL, to provide sustained production of new types of armaments would also be required for Iranian strategy to change course.

Because the IRGC dominates the senior military leadership and the state's overall strategic direction, shifts in the IRGC's leadership and public messaging could be indicators of a new military posture. For example, IRGC Commander Major General Mohammad Ali Jafari will likely retire in the near term. His replacement and subsequent appointments could be indicative, especially if newly promoted officers come from the IRI's more conventional air, naval, or ground forces branches rather than from the IRGC's Quds Force, missile units, or intelligence services.

Other indicators could include direct IRI unit intervention in Syria, Iraq, or even Afghanistan. Seeing all-Iranian uniformed military formations operate overtly would be a distinct change in the military's standard posture. The recent announcement of possible Iranian bases in Syria and Yemen would be a particularly notable shift in military posture and ideological orientation. Exercises focusing on complex or long-range air, sea, or ground campaigns would be a clear sign of a desire to expand capabilities for conventional power projection. This would be especially true if these events are accompanied by a change in the supreme leader's and military leadership's rhetoric on using military force. Rhetoric from those offices appearing to justify conventional force-on-force confrontation with other regional powers would be a key signal that the IRI has changed its current doctrinal approach.

The most telling indicator will likely come in spending. Iran's real military budget is difficult to decipher, but current estimates place the defense budget at \$15 billion, and off-the-books funds may double that.³⁹

Regardless, the IRI still spends only around 3 percent of its gross domestic product on the military,⁴⁰ leaving the state reasonable room to grow expenditures.

The larger question is prioritization. Notable efforts on defense industrial base reorientation, logistics improvements, acquisition of larger numbers of air and ground systems, and research and development for conventional military platforms and weapons would indicate the regime has chosen to modernize its forces along more traditional, conventional lines.

An Inflection Point in 2016?

Some of these signs of a potential shift to a more conventional force are already appearing. In addition to the presence of the Artesh and conventional Iranian weapon use in Syria, the naming of the new AFGS chief in July 2016, Major General Mohammad Bagheri, likely indicates the direction the supreme leader and the military establishment believes the Islamic Republic must take in coming years. Bagheri's early priorities appear to be furthering the capabilities of the Basij, the Quds Force, and cyber forces, while increasing intelligence operations and extending Iran's naval reach into the Indian Ocean.⁴¹ Emphasis on less traditional aims such as advancing cyber capabilities and developing conventional blue-water naval power may show the Iranian military is ready to take a different direction, although not quite a full transformation. The establishment of the Khatam-al Anbiya Central Headquarters during the AFGS reshuffle also represents Tehran's recognition of the need for inter-service integration and greater capacity for expeditionary and potentially conventional warfare abroad.

Perhaps most significantly, IRI rhetoric about its military capabilities has begun to change. In September 2016, Supreme Leader Khamenei stated that Iran's development of defensive and offensive capabilities is "an unalienable and clear right."⁴² As noted earlier, Iranian leadership has demonstrated a distinct aversion to describing their military as being offensively oriented. Khamenei's language has been seconded by several military, security, and religious

leaders, reinforcing the statements are likely reflective of a real shift.⁴³ The IRI's changing threat perceptions, especially the inadequacies of the IRGC and its proxies' abilities to fight in the region, and perhaps its diminishing need to focus so predominantly on reacting to US military power in the coming years, are likely the strongest drivers for this change.

Iran's current unconventional asymmetric military and proxy armies already provided sufficient challenges to the United States and our allies. Adding more traditional capabilities will only compound the regional security challenge, even though there may be an upside. US planners may find a more familiar military threat easier to predict and deter. A long-term

competitive conventional arms race with Iran is one the United States should be fairly confident of winning, certainly much more so than with a country such as China or Russia.

However, there are additional risks for the United States if Iran takes this path. Increased capabilities in air, missile, naval, and ground power projection may diminish the strong deterrent effect of US military strength in the region and lower the threshold for the IRI's willingness to employ force, especially against our allies. Given Iran will likely follow a more mixed conventional and unconventional course, the United States will need to develop an even more tailored and nuanced approach to deterrence in the Persian Gulf.

Notes

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Section IV

Building the Iranian Military: Understanding Tehran's Defense Acquisition and Research and Development Decision-Making

Introduction

The Islamic Republic of Iran (IRI) is on the cusp of making significant decisions about what it wants to be as a state and what it wants its military to become following the implementation of the Joint Comprehensive Plan of Action (JCPOA). In Section III, I laid out an argument that Tehran may have begun shifting its view on warfare and that it is appropriate and ideologically acceptable now for the IRI to seek offensive capabilities and doctrines in addition to defensive ones. This represents profound change in Tehran's narrative since the 1979 Islamic Revolution, but it coincides with a leadership more confident at home that sees evolving threats in its neighborhood.

If Iran plans to place a much greater emphasis on conventional offensive weapons than it has in the past, this will likely require greater resources or a different allocation of resources than it has traditionally provided for its military. Historically, unconventional forces dominated Iran's military and were relatively inexpensive to maintain. As a result, Iran's industrial base is not optimized for constructing, equipping, and deploying a large conventional force.

However, the JCPOA does provide new financial means, and eventually, access to additional military weapons and technology that may allow Iran to undergo a real military transformation. Under Supreme Leader Ali Khamenei, this strategy seems to

be the consensus among military leaders, the executive branch, and legislators. However, given increasing concerns with Khamenei's health, it is unknown if or how a new ayatollah would shift Iran's approach.

This section examines how Iran makes such decisions about military procurement and production. Specifically, it attempts to assess:

- How should we understand Iranian defense spending?
- What are the current and future military budget trends?
- What are the strengths and weaknesses of Iran's military industrial base?
- What drives IRI decision-making on weapons development and acquisition?

The section concludes by exploring Tehran's likely paths to modernize its military, post JCPOA. Most of these choices are still upcoming, which should offer policymakers the opportunity to shape the military balance and threat picture in the Persian Gulf and greater Middle East region.

Understanding the Iranian Military Budget

As previously discussed in Section III, the IRI approaches economic decision-making through a heavily statist framework. Since 1979, Iranian political elites readily admitted that the economic sphere—as opposed to the religious, political, security, or cultural spheres—is the one arena in which the revolution has not succeeded in bringing Khomeini’s original vision to fruition. Iranian leaders’ efforts in recent years to diversify the Iranian economy have had only moderate successes.

In this context, Iran still attempts to direct its economic policies by five-year plans. These documents are drafted by the president but begin as guidance from Supreme Leader Khamenei, with the Expediency Council (which includes some military leaders) advising the president throughout the process. Then, the plan is sent to the legislature for approval. Once adopted, the president uses each five-year plan to propose a yearly budget, which the legislature approves and the Guardian Council validates.

Recent five-year plans reflect the IRI’s postrevolutionary ideological frustrations with the fiscal concept of the “resistance economy” (*eghtesad-e moghavemat*). This idea stresses the need for Iran’s independence from Western economic coercion, although Iran’s leadership still debates the best means to achieve this. Although introduced in 2014, this debate has become more public and contested since the JCPOA’s implementation.

Some Iranian leaders argue Iran should economically integrate with major powers in the West and Asia Pacific as a disincentive to future sanctions.¹ Others maintain that Iran should pursue policies that are more autarkic to ensure that threats of future embargoes and sanctions will have minimal effect.² This debate is

perhaps the biggest economic fight among Iran’s political elite. Iran’s military traditionally leaned toward the latter side of the argument, as will be discussed later in this section. However, it is uncertain whether the military’s preference for statist policies will remain a guiding principle in the military budget process as further restrictions are lifted under the JCPOA.

Another key component of the Iranian budget is its relationship to oil prices. Following diversification in recent years, oil and energy sectors now represent about half of Iranian gross domestic product (GDP).³ As such, estimated energy prices are at the forefront of Iranian legislators’ minds when drafting the national budget. In the decades after the Iran-Iraq War, Tehran set its budget typically in the \$70–\$80 per barrel range, enjoying excess revenues when oil was regularly more than \$100 a barrel in the 2000s.⁴ The recent years of low oil prices, in addition to the nuclear sanctions period, have significantly hurt Iran’s finances. The government has had to peg the budget at much lower prices, projecting the new 2017 budget at \$50 per barrel, for example, up from \$40 in 2016.⁵

The IRI budget also has appendixes that detail specific economic directives and account for the income generation and outlays of the state-owned enterprises, which still play a dominant role in the Iranian domestic economy. Most importantly, Iran’s military budget also includes the various state-owned enterprises under the Defense Industrial Organization (DIO), a subordinate entity to the Ministry of Defense and Armed Forces Logistics (MODAFL).⁶ The firms in the DIO form the backbone of the IRI’s defense industrial base. We examine the DIO later in this section.

The IRGC-run Khatam-al Anbiya Construction Headquarters is one of the largest state-owned enterprises. Its vast empire of firms involved in Iran's critical infrastructure and other sectors constitutes an estimated 20 percent of GDP.⁷ President Hassan Rouhani, in a supposed attempt to improve transparency in the military budget, moved the Khatam-al Anbiya onto the IRGC's budget as a specific line item beginning in 2014.⁸ It remains unclear if the budget designation for Khatam-al Anbiya includes only those funds Rouhani has allocated to the organization, the money Khatam-al Anbiya generated, or perhaps the guaranteed cost of contracts.

When the president and his economic team prepare their proposed budget, including the military portion, it goes before the Iranian legislature, or Majles, for debate, amendment, and passage (or rejection). Once the legislature passes it, the Guardian Council reviews it and can accept it as a whole, or more likely, return the budget to parliament for revision with directed changes that can override either the president's or the legislature's decisions. This process can take some time, especially when it comes to military issues, because the IRGC and Artesh have significant influence at all stages.

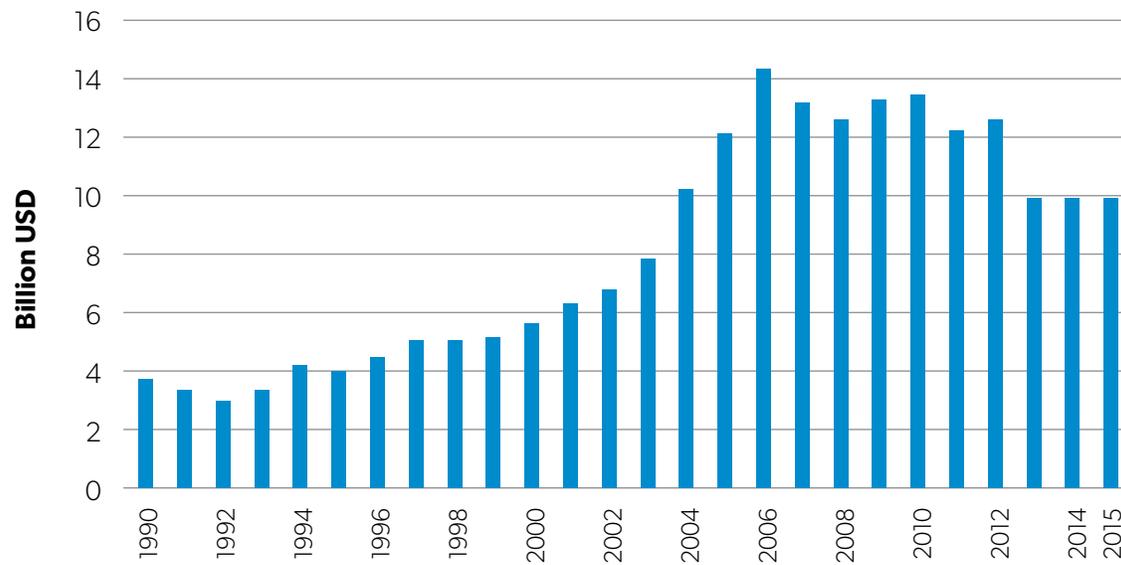
The recent 2016 budget fight provides a good example of the contested nature of the IRI budgeting process. Rouhani had originally proposed a budget that specifically slashed the IRGC budget by almost 20 percent.⁹ The president likely hoped to balance the budget and enact fiscal reforms expecting the IRGC to reap increased post-sanctions income from Khatam-al Anbiya and its other business interests including black market dealings.¹⁰ However, the conservative- and hard-liner-dominated parliament rejected Rouhani's defense plans. The body passed a budget that increased IRGC funding by nearly 16 percent and raised official defense to \$11.38 billion.¹¹ Despite these bureaucratic fights, funding is the primary area in which the president does retain some power over Iran's military.

The Shadow Military Budget

Estimating the IRI's actual military budget is a near-impossible task. It is unlikely even the leadership in the Iranian executive or legislative branches knows how much the IRGC is spending every year.¹² Even attempting to calculate costs based on observed procurement, personnel numbers, typical costs for operations and maintenance, and even ballpark estimates for research and development activities are unusually daunting because of the IRI's unique military structure, activity patterns, and heavily indigenized production in key armament sectors. In short, a dollar (or rial) goes much further—and in a more obscured fashion—in the Iranian defense system than in the vast majority of major world militaries.

This opaque system is a deliberate choice by the regime. After the Iran-Iraq War, the Iranian leadership encouraged the IRGC to go into business, increase Iran's self-sufficiency, give the IRGC's members and veterans' employment opportunities, and create the enterprises needed to facilitate Iran's regional and international operations over time.¹³ In the process, IRGC built a financial network led by Khatam-al Anbiya that holds commanding heights in the Iranian economy.¹⁴ Funds from these organizations and their front companies likely allow the IRGC to be mostly self-funded. Additionally, the IRGC smuggles many of its weapons across Iranian borders, which is both expensive and risky for them.¹⁵ State-run enterprises also help to mask IRGC operations and weapons procurement efforts.

The IRGC and its proxies and partners can also draw on funds from various religious foundations, charitable trusts (*bonyads*), and even Setad, the pseudo sovereign wealth fund Supreme Leader Khamenei controls.¹⁶ The industries under the various *bonyads* may control 20 percent of Iran's economy.¹⁷ Setad's subsidiaries could be valued at \$95 billion USD.¹⁸ None of these entities normally operate under legislative oversight. The IRGC is also directly involved in black market activities, particularly in smuggling sanctioned goods, narcotics, and other contraband.¹⁹

Figure 1. Iranian Military Expenditure (Constant 2014 USD)

Source: Stockholm International Peace Research Institute, "SIPRI Millex Data 1988-2015."

Historical Trends

The average percentage of military budget growth has been 4.11 percent in US dollars since the Iran-Iraq War,²⁰ but there were large fluctuations over time (see Figures 1 and 2). Iran's military expenditures correlate to the overall level of Iran's GDP (around a 0.92 correlation),²¹ which in turn is highly correlated to the price of oil. Therefore, estimating percentage of GDP dedicated to defense spending is perhaps the more optimal way of gauging past IRI fiscal prioritization and projecting future defense growth. This is especially true given the aforementioned structural factors, not to mention significant inflationary pressures and the opaqueness in the Iranian budget.

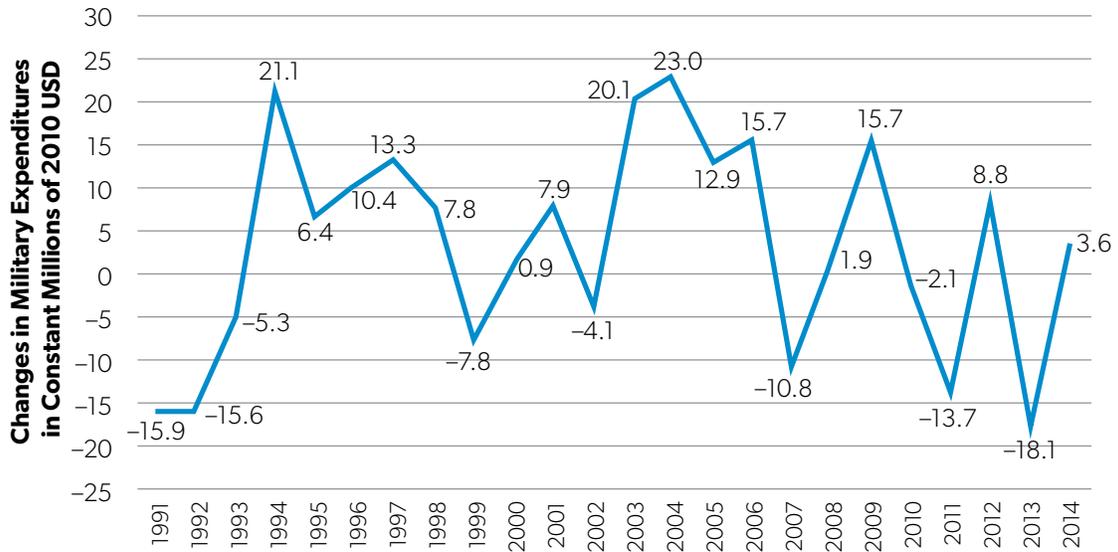
The IRI's official military expenditures have averaged 2.7 percent of GDP since the end of the Iran-Iraq War. There was low defense expenditure in the early 1990s as the state continued its demobilizations after the war, with the average percentage of GDP spent on defense at just 2.24 percent under President Akbar Hashemi Rafsanjani (1990–97). However, starting

with the US invasion of Iraq in 2003, Tehran kept up a higher pace, devoting an average of 3.0 percent of GDP or higher to defense from 2004 to 2010 (see Figure 3).

This trend likely reflects decisions by Iran's senior leadership to direct major investments toward Passive Defense, anti-access, area denial (A2AD) naval platforms, and ballistic missiles to increase the IRI's deterrent and power projection capacities against the United States and its regional allies. Since 2010, official GDP spending for defense has dropped to around 2.5 percent.²² This is consistent with the IRI's 2009 threat perception shift resulting from US troop withdrawal from Iraq. Whether IRI sustains the shift away from hard power is yet to be determined.

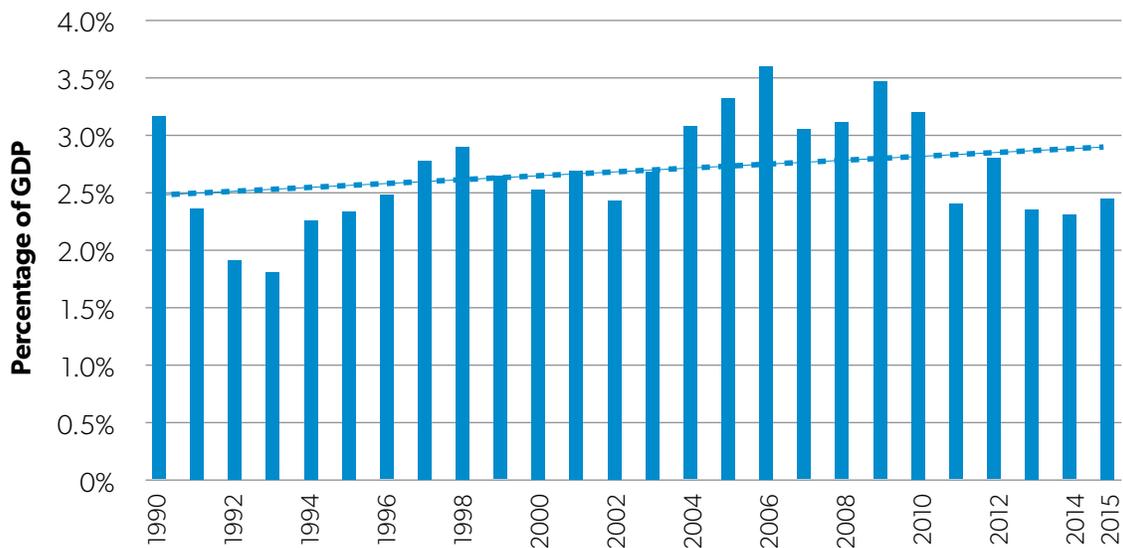
During the height of the nuclear sanctions period from 2011 to 2013, Iran went through a severe economic retraction that resulted in the military budget dropping in near-parallel form. From 2012 to 2013, official military expenditures fell by at least 21 percent of GDP. Official IRI defense spending has yet to

Figure 2. Real Military Expenditure Annual Growth



Source: Stockholm International Peace Research Institute, "SIPRI Milex Data 1988-2015."

Figure 3. Iranian Military Expenditure



Source: Stockholm International Peace Research Institute, "SIPRI Milex Data 1988-2015."

bounce back to the levels associated with robust GDP growth and accelerated military investment in the mid-2000s.

With Iran's unofficial spending somewhere between 50 percent and 100 percent above Iran's official defense costs, the real percentage of GDP consumed by the military is probably 4 or 5 percent in most years. For example, with an official defense budget in 2016 of more than \$11 billion USD in current dollars, the actual amount spent on military activities inclusive of off-the-books accounts is likely \$15 billion to \$18 billion USD and could be as high as \$20 billion USD.²³ This excludes one-time additional moneys provided by transfers and other allocations from the implementation of the JCPOA. It does not include military and economic support that Iran provides President Bashar al-Assad or for the IRGC's operations in Syria. Estimates for these expenditures range from \$6 billion USD to \$15 billion USD or more per year.²⁴

The Iranian military also appears to devote less than 20 percent of the official budget to procurement and research, development, training, and education (RDT&E).²⁵ Between 12 and 17 percent goes to procurement, and more than 3 percent goes to RDT&E, which is high for the region by some estimates and likely reflects the robust indigenization efforts for many weapons platforms.²⁶ Given the obscurity of many defense budget line items, it is impossible to discern exact numbers for procurement and RDT&E, but it is unlikely that the military can afford to go much beyond 20 percent, even if it wanted to. Approximately 50 percent of expenditures goes directly toward supporting military personnel, a burden facing militaries globally.²⁷ Almost 30 percent is applied to operations and maintenance, reflecting the high cost of keeping the aging army and air force at least mostly functional.²⁸

Whether the IRI's unofficial expenditures reflect a similarly proportional breakdown in cost is unknown. Given the nature of the IRGC operations in the region, illicit procurement and shipment activities, creation and support of large proxy and partner forces, and production and maintenance of weapons for asymmetric warfare, it is reasonable that the percentage of those allocations could be roughly equivalent. It

is also probable that there are, or will be, some type of fund or reserves for long-term military modernization or procurement in the unofficial budgets. Perhaps some of the unfrozen assets gained under the JCPOA are held here to wait for the UN conventional weapons sanctions to lift. However, these are educated estimates.

This framework sums up Iran's defense budgetary patterns for the past three decades:

- Changes in the scale of IRI military spending is linear, highly correlating with Iran's GDP, which in turn correlates to fluctuations in crude oil prices.²⁹
- As a percentage of GDP, official spending on defense averages between 2.5 and 3.0 percent. During periods with fear of regime-threatening conventional military conflict, official defense spending tends to rise to 3.0 percent or higher of GDP. During periods with minimal fear of regime-threatening conventional conflict, official defense expenditure as a percentage of GDP tends to drop to 2.5 percent or below.³⁰
- The full scope of the IRGC's unofficial spending is uncertain but likely represents an additional 50 to 100 percent of military outlays.³¹ This brings total defense spending as a percentage of GDP to 4 to 5 percent most years.³² When faced with a perceived existential crisis in its sphere of influence, such as the potential fall of close ally Assad or US occupation of post-Saddam Iraq, Iran balloons total defense spending to at least 6 percent and maybe as high as 9 percent of total GDP. Compared to its adversaries, Iran spends relatively little on its defense budget, although it is unknown how much of Iran's defense spending is off the books. However, accurate spending is particularly difficult to estimate during these unconventional campaigns, which Iran cloaks under a gray budget.³³
- The IRI allocates approximately 15 to 20 percent of official defense expenditures toward

procurement and RDT&E.³⁴ Total military spending toward acquisition and R&D, including off-the-books activities, may have a similar level of allocation but cannot be determined with certainty.

This is, in short, the macro-level IRI defense budget decision-making model, at least since the Iran-Iraq War. The degree to which the Iranian leadership will be able and willing to spend on its defense and military activities, especially the relative scale of resources available for Tehran to acquire or develop new weapons, can be reasonably estimated at any GDP growth rate, if the regime's threat perceptions are generally understood.

In context, the United States has typically spent approximately 4 percent or less of its GDP on defense since the end of the Korean War (3.3 percent of GDP in the 2015 fiscal year).³⁵ Saudi Arabia, a key regional threat to Iran, spent an estimated 13.5 percent of its GDP on defense in 2015.³⁶

Impact of the JCPOA and Future Military Spending Trends

The nuclear deal improved Iran's economic outlook and will allow Iran to boost military spending. The unfreezing of overseas assets and easing of international financial restrictions will relieve fiscal pressures on Iran, allow the government a freer hand to borrow and expand the budget, and open more funding channels for the IRGC and its proxies.³⁷ The 2016 defense budget the Guardian Council confirmed not only reflected a baseline increase of almost 10 percent to \$11.3 billion USD but also included several additional line items partly tied to the JCPOA that, theoretically at least, almost doubled the official expenditures from 2015.³⁸

The most infamous of those items was the \$1.7 billion USD from the JCPOA-triggered settlement of the outstanding debt from Shah-era US military contracts canceled after the 1979 revolution.³⁹ The United States provided \$400 million USD of this settlement in cash upfront as leverage for the release

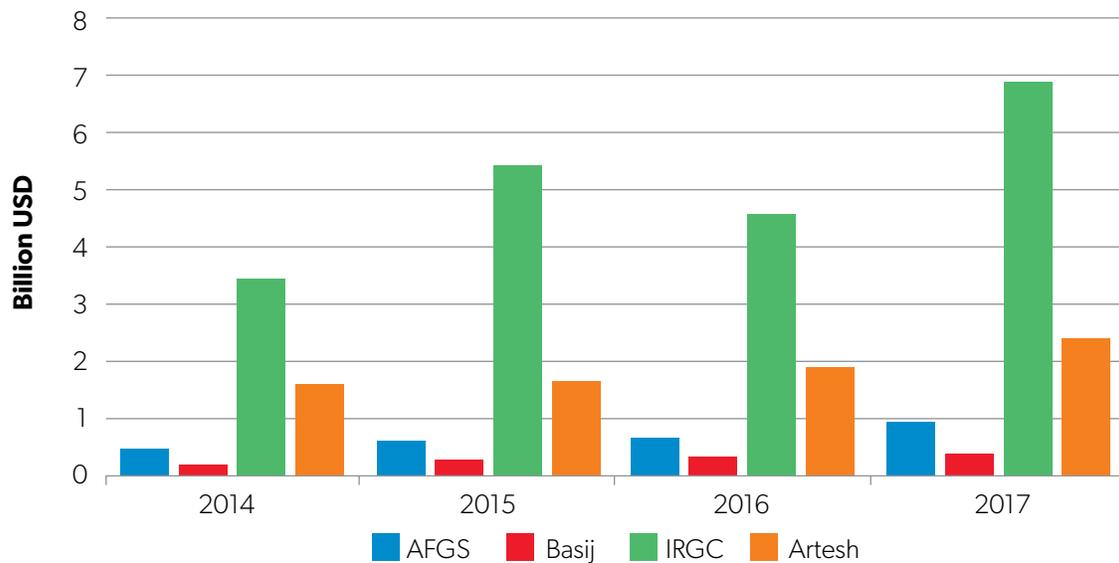
of American detainees in Iran after nuclear deal implementation in January 2016.⁴⁰

Another JCPOA-related budget line item was \$5 billion USD in additional military projects that MODAFL will supposedly choose.⁴¹ How this will materialize is unclear. It is possible this allocation will be similar to Rouhani's move in 2014 when he shifted the Khatam-al Anbiya line item onto the budget, in that it is not actually new funding. It could also simply indicate the MODAFL's and DIO's annual contracts will end. The military can also raise another \$1.7 billion USD through fees collected from Iranian citizens who want to avoid military conscription. Perhaps the most crucial long-term unresolved issue between the legislature and government that has huge fiscal implications is if or how the military is supposed to accrue 10 percent of new foreign direct investment (FDI).

Whether these extra budgetary items will continue into the 2017 budget and beyond is uncertain, but the overall trend lines look set to rise dramatically. Rouhani has proposed around \$12.5 billion USD for 2017's budget, and the parliament will most likely add to it.⁴² When examining the most important operational components of recent budgets—the IRGC, the Artesh, the Basij paramilitary militia, and the Armed Forces General Staff (AFGS)—the relative dominance of the IRGC and expected acceleration of spending are clear.⁴³ For example, the Revolutionary Guards are hoping for a 52 percent increase in funding for the 2017 fiscal year based on Rouhani's recent announcement.

Overall growth in defense spending in the coming decade, including MODAFL, is more difficult to predict, especially after the UN conventional weapons sanctions lift. Much of the early post-JCPOA increase in resources could go to IRGC operations and maintenance rather than major weapon systems procurement. The high historical correlation between GDP and military expenditure from the IRI defense budget model is valuable here.

If Iran's overall economic growth is more than 4 percent in the next few years, both official and unofficial military spending should follow a similar trend line until the end of the decade.⁴⁴ Since the estimated "real" 2016 defense budget was around \$16–\$18 billion

Figure 4. Military Institutions' Budgets by Year

Source: Radio Farda, "The Government's Proposed Budget for Major Military Institutions, High or Low?," <http://www.radiofarda.com/a/b3-iran-new-military-budget-proposal-estimated-at-least-10-billion-dollars/28176296.html>.

USD, it is reasonable to assume that—in absence of a global recession or major reorientation in government fiscal priorities—Iran's military outlays will be well over \$20 billion USD in current dollars by 2020.

However, these numbers exclude any of the new line items related to the JCPOA that could easily add several more billions each year if the agreement is sustained past 2017. Of course, the largest variable appears to be whether the military will secure 10 percent or some other set percentage of FDI each year. Depending on Iran's economic performance and attractiveness for investment in the coming decade, that allocation could add anywhere from a modest to a potentially transformative impact in defense-spending levels.

This is the challenge of determining what will be the new normal under the nuclear deal. As seen in our defense budget decision-making model, real sustained changes in Iran's military spending as a percentage of GDP appear to come from fiscal decisions related to shifting threat perceptions, not from a relative surfeit or dearth of resources. If post-JCPOA official line items are consistently added, including around \$5 billion USD for additional military contracts and

around \$1.7 billion USD for conscription waivers, and Iran attracts \$30 billion to \$50 billion USD in FDI, resulting in 8 percent total growth, official defense budgets in the 2020s could regularly approach 6 percent of GDP. Total spending on the military, including unofficial activities, could be near 10 percent or more.⁴⁵ These levels of sustained spending could fund the massive conventional Iranian modernization that many US allies in the region feared would take place after the JCPOA. The IRI defense budget model since the Iran-Iraq War would be broken.

Figures in these ranges are reasons to question whether the post-nuclear-agreement budget maneuvers in 2016 reflect significant fiscal policy changes by the government, are temporary, or are even illusory. The \$5 billion USD in new MODAFL contracts may not be a new or sustained allocation. Conscription waivers will likely fluctuate year to year or even disappear, especially as Iran's long-term demographic trends point to declining numbers of males age 18–24 years.⁴⁶ FDI may amount to \$8 billion USD or less in fiscal year 2016, far short of Rouhani's original goal of \$15 billion.⁴⁷

Quadrupling or quintupling that level of FDI over the next few years will be an enormous challenge.

There are still too many uncertainties at this point about how Iran's economy will perform and whether the JCPOA will survive.⁴⁸ Tehran faces the need for serious internal financial reforms to not only draw sufficient interest from international firms but also resolve the continued ideological debates among Iran's leadership over the degree of foreign investment they want in the economy.

A maximalist scenario in which FDI reaches \$30–\$50 billion USD with 10 percent allocated toward military spending—without making equivalent offsets in the official budget or restraints in unofficial activities—would also indicate a willingness among Iranian leaders for Tehran's real defense spending to rise above 10 percent of GDP. Even though there is likely strong agreement on the need to modernize the military, it is unlikely the regime has come to a clear consensus that the state needs to take military spending that high. The inflationary and other structural economic pressures would be enormous and risky, given the government's major ongoing domestic reforms, uncertain long-term financial climate, and fears of internal instability.

The Iranian leadership may have been willing to let unofficial defense expenditures reach these levels of near 10 percent of GDP recently with Tehran's support to the Syria and Iraq operations, which is understandable given how the regime considers those wars to be of existential importance. As both the Syrian and Iraqi campaigns wind down and the existential threat begins to decline, Iran's willingness to pursue similarly high levels of investment will also decline.

In sum, core decisions about FDI and other post-JCPOA budgetary issues are still in flux. Without a real change in threat perceptions, Iranian elites will likely resist pushing core official military expenditures any higher. Such scenarios cannot be ruled out since the strategic environment in the region is so dynamic. Rouhani's dream of regular 8 percent growth would fund a transformation of the military. If the economy grows at 4 percent per year or more—which may still be too optimistic—Tehran should still have plenty of new resources to improve its conventional forces. The following sections explore the most likely paths the Iranian military will take in doing so.

Understanding Iran's Defense Industrial Base and Acquisition

With the possible exception of North Korea, no other medium-sized power is as focused on deepening the indigenization of its military production as the IRI. This is a near-impossible challenge without the resources of a world power such as the United States, China, or Russia. Iran chose this path partly out of an ideological desire to be independent from foreign influence. IRI's drive toward self-sufficiency by way of procurement, research, and development is mostly a matter of necessity.

Under the Shah's rule, Iran's military consisted almost entirely of US and other Western equipment. After 1979, the IRI was not only immediately embroiled in a war against Iraq but also had limited access to replacement platforms or spare parts. This relative isolation during wartime drove Iran to invest heavily in its state-owned defense industries to produce small arms, ammunition, rockets, fast attack and small boats, mines, parts to keep existing equipment running, and prototypes of some of the first drones used in modern warfare.⁴⁹

The DIO oversaw these efforts. Previously known as the Military Industries Organization under the Shah, the DIO was created by the Iranian leadership in 1981 to bring together the Military Industries Organization's disorganized and failing departments. No longer importing arms from the United States and Europe, the DIO supervised all defensive military production, research, and development.⁵⁰

Following the devastation of Iraq's ballistic and chemical attacks, the DIO acquired both ballistic missile and chemical capabilities with aid from Syria, Libya, North Korea, and China.⁵¹ The ballistic missile arsenal eventually became the crown jewel of Iran's defense industry once its engineers could produce

Scud missiles on their own. Iran's chemical weapons capabilities were admitted to the Organization for Prohibition of Chemical Weapons once Iran acceded to the Chemical Weapons Convention in 1993. Iran claims it has since given up any other weapons of mass destruction activities, with Khamenei regularly reaffirming that such activities are proscribed religiously.⁵² However, the US intelligence community expressed concerns some latent chemical weapons capacity may remain.⁵³

Structure of the Defense Industrial Base

Following the Iran-Iraq War, the IRI reorganized its civil-military leadership structure. The leadership merged the Ministry of IRGC Affairs with the Ministry of Defense to form the MODAFL in the civilian executive branch. The operational activities of both the IRGC and Artesh remained separate under the AFGS and the supreme leader.⁵⁴ MODAFL, in contrast, only supports the armed forces.⁵⁵ The minister of defense does not have an operational role in the military. A former IRGC general always leads operations. This reflects the original ministry merger and the predominant role the Revolutionary Guard has in securing defense resources.

MODAFL assumed control over DIO and its related industrial organizations when it was created in 1989.⁵⁶ The ministry and the DIO also oversee several research and educational institutions, such as Malek-Ashtar University of Technology, which provides the Iranian military and defense industries a robust scientific and engineering environment from which to draw.⁵⁷ After the war, MODAFL instructed

the IRGC to help build Iran's industrial capacity and start commercial activities, such as Khatam-al Anbiya. This resulted in a large network of IRGC-related firms with deep ties and contracts with state-owned defense industries.⁵⁸

The DIO coordinates the activities of several parallel organizations: Iran Electronics Industries, Aviation Industries Organization, and Aerospace Industries Organization.⁵⁹ DIO's direct subsidiaries handle most of Iran's ground and naval forces, including the Armament Industries Group, Ammunition & Metallurgy Industries Group, Chemical Industries & Development of Materials Group, Marine Industries Group, Special Industries Group, Vehicle & Equipment Industries Group, and the Defense Technology and Science Research Center, which reportedly handles much of the procurement for the entire organization.⁶⁰

The Iran Electronics Industries and its subsidiaries oversee Iran's production of high-tech equipment, especially radar, optics, telecommunications, avionics, and electronic warfare capabilities. The Aviation Industries Organization and its subsidiaries handle the manufacture, repair, overhaul, and support of Iran's aging air force, both fixed wing and rotary wing, and drones. The Aerospace Industries Organization and its subsidiaries handle the development of Iran's ballistic missiles, cruise missiles, and rockets.⁶¹

Iran's Defense-Sector Viability

Despite significant achievements in key production areas, without the economic capacity of a world power, Iran's defense industrial base remains, and will remain, uneven. The nature of this unevenness reflects differing levels of capability among the various military industries. The following is an overview of the defense industrial base, focusing on the major combat platforms and key support systems.

Ground Forces Procurement and Production.

Since the end of the Iran-Iraq War, the Iranian military has almost exclusively used land power as a defensive capability. After 1988, land power was rarely used, save for low-level internal counterinsurgency campaigns

against the Kurds or Baluchis or in the recent fights against ISIS in Iraq.⁶² Consequently, there is relatively less investment in tanks, armored personnel carriers, artillery, and logistical support, especially compared to the IRGC naval and missile capabilities. The DIO's armor and mechanized procurement and indigenous production can be described as a hodgepodge: direct imports from Russia and China (T-72s, T-69s, and T-59s),⁶³ licensed production (T-72s), indigenous production from reverse engineering (Zulfiqar based on the Brazilian Engesa Osorio),⁶⁴ indigenous production through technology transfer (Safir-74 based on the T-54),⁶⁵ and maintaining or upgrading pre-1979 legacy systems (Chieftains, M47s, and M60s).⁶⁶

Artillery and armored personnel carriers generally follow this same unfocused pattern. News that Iran may be seeking the T-90 tank from Russia, however, may indicate Tehran's intention to invest in ground power projection capacity—and thus its offensive power capabilities—under the JCPOA.⁶⁷

Naval Procurement and Production. Iran's surface maritime capacity best reveals the divided nature of Iran's defense industrial base. The Artesh continues to operate a small, aging capital ship surface fleet of frigates, corvettes, and combatants left over from the Shah's Navy—half of which was lost in the Tanker Wars with the United States in 1988.⁶⁸ Some Hudong class fast attack craft purchased from China have augmented this fleet, and Iran's shipbuilders have finally begun to indigenize production in the past seven years.⁶⁹ Naval aviation capabilities remain largely absent.

The IRGC, meanwhile, operates a large guerilla navy built over the past three decades. These forces bedevil US and allied ships in the Persian Gulf with their indigenously mass-produced missile-armed fast attack boats and hovercraft, along with other acquired and reverse engineered high-speed small craft.⁷⁰

Below the surface, Iran is making strides. Tehran now has three upgraded Russian Kilo submarines and 15 North Korean Yono-class midget submarines it claims it can indigenously produce.⁷¹ Iran can indigenously produce (although with some Chinese assistance) the new Fatah submarine, with a range

and capability in between the Kilos and the Yonos.⁷² Through acquisition, reverse engineering, and indigenous production, Iran also continues to invest in advanced mine capabilities.

Antiship cruise missiles (ASCMs) and ballistic missiles are another area in which Iranian procurement and industries have excelled. A reverse-engineered version of the Chinese C802 is the basis for most of the Iranian ASCMs, with increasing range and accuracy.⁷³ The IRGC's small fast attack boats now have Zafar ASCMs as of 2011, while the Nasr-1 radar-guided ASCM was announced in 2010.⁷⁴

Ground-based ASCMs, apparently modeled on the Chinese C-704 and C-602 and the Russian Kh-55, were unveiled in the past few years.⁷⁵ The Iranians have even modified their Fateh-110 tactical ballistic missiles into an antiship ballistic missile with an electro-optic seeker.⁷⁶ If operational, these systems would give the IRGC even more significant capacity to threaten ships in the Gulf.

That goal is what drives Iran's maritime procurement and industrial production—to deter adversary naval powers from operating close to territorial waters—rather than attempting to build or recapitalize a long-range maritime power projection capability. The first objective (A2AD) is strategically necessary and relatively affordable. The latter objective (a blue-water navy) is an expensive offensive goal and not strategically necessary for the leadership—at least not yet.

Air Power Procurement and Defense Production. Iran's air force is a hodgepodge of foreign-purchased planes. For many observers, the most remarkable characteristic of the IRI's combat aircrafts is that they can still fly missions effectively. At least some portion of the aging fleet of F4s, F5s, and F14s remains operational by the Aerospace Industries Organization's remarkable efforts.⁷⁷ Iran claims it can produce 70 percent of the parts needed for these aircraft, although some analysts believe the percentage is closer to 15 percent.⁷⁸ The Aerospace Industries Organization has attempted to produce indigenous versions of the F5 through reverse engineering since the 1990s, first with the Azaraksh and

then with the follow-on version, Saeghe.⁷⁹ Determining the exact capabilities of the few Seaghe fighters in service is difficult.

Iran has large numbers of Russian fighters, including Su-22s, Su-24s, Su-25s, and MiG-29s, as well as some Chinese fighters.⁸⁰ Tehran, though, still mostly relies on its old US planes. An IRGC Quds Force task is to find spare parts on the black market. As with classic offensive naval capabilities, the ability to project and sustain air power is neither strategically necessary nor feasible, given resource and technology challenges for Iran to recapitalize the Shah's air force. The conflicts in Iraq and Syria, though, have shown Iran's particular vulnerabilities without better air support, with the IRGC and its proxy forces frequently depending on US and Russian close air support in their ground campaigns, for example.⁸¹

Iran retained some rotary wing combat aircraft after 1979, including legacy US AH-1 Cobras, variants of which it recently upgraded and supposedly now indigenously produce for offensive operations.⁸² Attack helicopters are another capability that Iran used in the Iraqi and Syrian theaters but that the IRI could not supply itself.⁸³

Air Defense Procurement and Production. Iran is keenly aware of its vulnerabilities to Western and Israeli air power, and air defense is central to the IRI's strategic concerns. Iran's defense industrial base, however, cannot meet the technological and production requirements that would give the military leadership the sense of protection and deterrence it wants. Sanctions and political considerations delayed or dissuaded suppliers such as Russia and China from selling the IRI the most advanced systems available.⁸⁴ The Iranian military's fear and frustration is apparent when considering the proliferation of the announced new air defense system production lines or acquisition efforts in the years leading up to the nuclear deal, when Tehran dreaded a potential US or Israeli strike.

Few Iranian acquisition struggles had as much international focus, aside from the nuclear program, as Tehran's nearly decade-long attempt to acquire the S-300 advanced air defense system from Russia to enhance its deterrent capabilities. Moscow, under

pressure from Washington, canceled the initial 2007 deal when the UN Security Council Resolution 1929 banned certain conventional weapons sales to and from Iran in 2010.

With JCPOA implementation in 2016, Tehran appears to be acquiring a more modern version of the S-300, the Russian V4 model, which has greater range and mobility.⁸⁵ In the intervening years, however, Iran indigenously developed an upgraded version of the Russian S-200/SA-5, calling it the Bavar 373, and claimed it was more advanced than the S-300.⁸⁶ However, maintained and upgraded S-200/SA-5s still form the backbone of Iran's long-range air defense capabilities.⁸⁷

In 2010, Defense Minister Ahmad Vahidi announced Tehran was beginning to mass-produce a medium-range air defense system called Mersad.⁸⁸ The system uses the Shahin missile, which is based on the legacy MIM-23B I-HAWK missiles, although it is uncertain if Iran has fully indigenized production or is refurbishing them.⁸⁹ In 2013, Iran started mass-producing the Ya Zahra 3, a short-range air defense system, which is a reverse-engineered and upgraded version of the French Crotale missile system.⁹⁰ The real capabilities of these indigenous systems are still unclear.

Ballistic Missile Production. The IRI's ballistic missile force is the centerpiece of the state's retaliatory deterrence strategy. No part of the Iranian defense industrial base has had as much investment or focus. As noted above, Tehran originally acquired Scud-B and Scud-C systems, which became the basis for its Fateh short-range ballistic missile (SRBM) and Shahab 1 and 2 SRBM/MRBM series of missiles. The North Korean No-Dong 2 MRBM became the basis of the Shahab 3 MRBM.⁹¹ Even as Iran has moved to increasingly improve and indigenize its missile production, North Korea is intimately assisting the IRGC's program from its earliest stages, although Russia and China have also aided the program.⁹²

Iran is developing largely indigenous missiles with ever-greater ranges. The IRGC tested the Emad, a modified Shahab 3, with a claimed range of 1,700 km in 2015.⁹³ The Sejil-2 is a mostly indigenously produced two-stage solid propellant missile with a range

of 2,200 km.⁹⁴ Iran may have additional longer-range missiles acquired from North Korea and could be attempting to develop intercontinental ballistic missiles. Tehran, though, still struggles with making its missiles accurate enough to use in an offensive military campaign. The Aerospace Industries Organization still seems unable to acquire, integrate, or produce an adequate stabilization and precision guidance package for its missile forces.⁹⁵ Until then, the force will remain a retaliatory deterrent and largely a psychological weapon.

Unmanned Aerial Vehicle (UAV) Procurement and Production. During the Iran-Iraq War, the IRI practically built its UAV industry from scratch. The Ababil line of drones forms the original platform and remains the heart of the program, particularly the Ababil-S medium-range reconnaissance and surveillance versions and the Ababil-T attack version.⁹⁶ The new Ababil-3 has a top speed of 200 km/h and a range of 100 km.⁹⁷ Other indigenously produced UAVs focus on either their more lethal strike capabilities or their capacity to fly higher and longer. The Karrar can supposedly fly 1,000 km and carry ASCMs.⁹⁸ The Shahed 129 has a range of 2,000 km with 24-hour flight endurance and was recorded flying over Damascus in July 2014.⁹⁹ The Ra'ad 85 is a direct attack UAV, although early pictures showed it was held together with duct tape.¹⁰⁰

Even with the achievements in drones, the IRI still feels the need frequently to exaggerate its capabilities, especially lethal UAVs. Iran is also attempting to reverse engineer a US RQ-170 Sentinel UAV that crashed in Iran in December 2011.¹⁰¹ Iran publicly emphasizes its success in UAV technologies and even touts Russia and other major countries' interests in purchasing its systems.¹⁰²

Surveillance and Communications. For decades, Iran's surveillance technology lagged behind the tech curve, posing a significant defensive flaw against advanced militaries. If Iran wants to turn toward a more offensive military doctrine, finding, fixing, and firing accurately becomes an even greater challenge. On the one hand, the Iranian military needs

to significantly improve the precision guidance on its munitions; on the other hand, it needs to further expand its radar coverage and secure communication links across key military nodes. The Iran Electronics Industries has unveiled major radar projects in the past few years, including the Ghadir 3D phased array radar with a 1,100 km range; the Arash advanced long-range, all-frequency band radar; and the Sepher, an over-the-horizon radar with a 3,000 km range.¹⁰³ However, the effectiveness of these programs is still uncertain.

Khamenei Evaluates the DIO

The strengths and weaknesses of the IRI defense industrial base are relatively obvious from this brief survey. As discussed earlier and in Section III, the Iranian military is at an inflection point after the JCPOA implementation and its recent regional wars. Will it need to—or want to—build a different kind of military? Are Iran’s defense industries positioned to aid that shift, or will they prevent changes that the generals and the supreme leader would like to see over time?

Khamenei provided some insight on these issues in a speech at a major MODAFL/DIO conference in August 2016 and focused on missiles, radar, optics, armor, drones, communications, and the marine domain.¹⁰⁴ It was at this event where he gave his first public comments emphasizing Iran’s right to possess offensive and defense capabilities, given the threat it faces from the United States and other enemies.

After praising the work of the MODAFL employees, he went to many of the booths from different DIO subsidiaries and private companies, highlighting the

work of particular defense projects.¹⁰⁵ Khamenei first visited a display on the capabilities and development of short-range, medium-range, and long-range missile defense systems. Another booth he visited contained advanced sonars of surface vessels that MODAFL designed and manufactured. Radar systems used for monitoring, tracking, targeting, and electro-optical fire control were in another booth, where MODAFL officials presented a report on the radar section of domestically manufactured Bavar-373 defense system. The officials boasted this system has capabilities more advanced than its foreign-made versions.¹⁰⁶

The supreme leader also saw the domestically produced operating system for the armed forces, a secure anti-malware computer, secure long-range digital communications, satellite advances, advanced electronic war equipment, and shoulder-launched missiles.¹⁰⁷ Other booths of the exhibition displayed supposed new technological achievements of Iranian specialists for increasing the accuracy of ballistic missiles.

Khamenei was repeatedly pleased with what he saw, unsurprisingly. He was reviewing what the Iranian defense industry does best: missiles, drones, electronics, marine capabilities, communications, and air defense. IRI military production is notably accelerating with new platforms and variants of existing ones coming online over the past five years. There were still many important defense capacities not on Khamenei’s tour (or even at the exhibition) that day. If Iran is not making those investments, then Tehran is likely not seriously considering an offensive path after the UN lifts its conventional weapons restrictions, unless the military is comfortable conducting a major modernization campaign through foreign acquisition.

Toward a Model of IRI Acquisition and Research and Development Decision-Making

Based on historical patterns in Tehran's military budget process and the structural dynamics in the Iranian defense industrial base, the following key characteristics and drivers of the Iranian defense acquisition and research and development decision-making processes become apparent.

Iranian willingness to invest in conventional and unconventional military capabilities is significant by international standards but has limitations and lags behind regional rival Saudi Arabia.

The IRI's official defense expenditure as a percentage of GDP has been consistently between 2.5 and 3.0 percent since the end of the Iran-Iraq War, and total spending is likely between 4.0 and 5.0 percent of GDP most years when including the IRGC's unofficial activities. The IRI's unofficial military funding is difficult to assess with any certainty, although high estimates of Iranian expenditures in the Syrian conflict demonstrate Iran's willingness to invest in unconventional capabilities when vital national interests are at stake. Recent budget fights after the JCPOA's implementation show that Iran's political leaders will likely continue to place a high priority on defense spending. At the same time, they recognize the fiscal constraints as they try to reform and strengthen the state's economy.

Historically, Iranian defense spending broadly correlates with GDP levels. Observers can estimate approximate scale of future Iranian military investment based on growth forecasts, keeping in mind Iran's growing purchasing power for indigenously produced weapons and materiel. One-time transfers

and certain budget items tied to JCPOA implementation will have some discrete effect on military expenditures, but nuclear deal sanction relief will have the longer-term influence on GDP and the more important cumulative effect on Iran's defense spending.

Changes in threat perceptions affect the relative prioritization of defense spending.

A potential shift in Tehran's threat perceptions can override the importance of GDP to determine the IRI's relative defense spending. When faced with a perceived conventional threat, defense spending tends to rise above 3 percent GDP. In times when Iran perceives a reduced threat of conventional military attack, they allow defense spending to drop below 2.5 percent. These shifts occurred measurably three times since the 1980s, when there were changes in the conventional military threat to the regime. It drastically declined first in the post-Iran-Iraq War draw down. Second, a significant increase occurred following the US invasion of Iraq in 2003. Third, after a perceived diminishment of the US threat of military invasion after the end of the surge in Iraq, once again Iranian defense spending dropped below 2.5 percent.¹⁰⁸

This is an important variable in any estimation for the pace of modernization efforts, especially after the UN lifts its conventional weapons restrictions in 2020 and 2023. Although much more difficult to measure, the IRGC's unofficial spending as a percentage of GDP likely changes when threat perceptions shift, as indicated by the high estimated expenditures during the Syrian conflict. In the post-JCPOA environment, the IRI most likely will keep to its historical patterns

and not spend more without a significant change in threat perceptions.

Iran’s defense industrial base is large and diverse but will continue to be uneven and insufficient to meet all of Tehran’s strategic requirements.

The DIO and other elements of the defense industrial base made enormous strides in the past three decades, building off continued strong investments in Iran’s scientific, engineering, and university systems. However, Iran is unable to produce or sustain advanced fighter aircraft, precision-guided ballistic missiles, and the most sophisticated air defense capabilities.

Iran must rely on Russia and other countries to procure and sustain advanced conventional capabilities that its own military cannot produce.

Where feasible, the Iranian military seeks to either license or transfer Russian, Chinese, and North Korean technology and, of course, eventually indigenize the production. This pattern will likely continue even after UN restrictions lift. Over time, Tehran may also look to certain European manufacturers to build political capital in those countries and gain access to certain technologies.

Iran looks to indigenize production of military weapons and other platforms whenever possible.

Iran’s relative isolation has a profound impact on its defense acquisition preferences. There are also significant ideological incentives since 1979 (especially during the sanctions era) for the IRI to avoid dependence on foreign manufacturing for its defense. This ideological preference culminated in the *resistance economy* doctrine. A key question after the removal of the UN conventional weapons sanctions is whether this pressure to indigenize will relax.

Reverse engineering and technology transfer are the primary methods by which the IRI seeks to indigenize production of weapon platforms or materiel.

Iranian engineers are adept at reproducing all, or components of, existing weapons platforms. This is true of both legacy capabilities and more recently acquired tech. The IRGC, in particular, focuses

on adding guidance capabilities and other tailored improvements to its missile and maritime programs through technology transfer and reverse engineering.

Iran also has a long history of original military production.

Examples include drones, small arms, and the IRGC’s fast attack fleet. There is a caveat that many domestically produced platforms remain deficient or largely for propaganda and information operations purposes.

The IRI will maintain certain pre-1979 conventional weapon platforms, if technically and strategically feasible.

The Iranian military is unwilling or unable to replace key air, naval, and some ground offensive combat systems from the Shah’s military, most notably the air force’s F4, F5, and F14 fighters. Like keeping 1950s-era cars running in Cuba for 60 years through clever mechanical work, it is somewhat impressive Tehran can still use these planes in combat as it has done in the counter-ISIS campaign. There are conflicting reports whether the Iranian Aviation Industry Organization can now produce 70 percent of the spare parts the air force needs, or just 15 percent. Whether Tehran will seek to replace its fighter plane force in the next decade is a critical unknown.

Iran has strong historical investment preferences for missiles, A2AD naval capabilities, and support for the IRGC’s unconventional and proxy capabilities.

Tehran’s threat perception against a major US attack and secondarily by resource constraints and ideological considerations drives this prioritization. It may also represent a “path dependency” problem that Tehran is finding difficult to escape if it tries to modernize to its current security environment.¹⁰⁹ Recent conflicts for the IRGC in Iraq and Syria highlight an inherent limitation of the type of military built along this posture, showing the need for improved expeditionary warfare capabilities, close air support, and logistics support.

Iran’s split military creates unusual procurement patterns with the less-conventional IRGC accruing the dominant share of both acquisition

and research and development. Although the regular Artesh is charged with traditional conventional force defense of the country and inherited the Shah's military, it is not given the same level of prioritization and trust as the IRGC.¹¹⁰ Except for key programs, such as missiles, the IRGC does not tend to take on traditional forces and conventional military doctrines.¹¹¹ At the same time, the Artesh does not receive the necessary funding to achieve its strategic concept as a fully conventional military.¹¹² As modernization moves forward, Iranian military leaders face difficult choices if they want to make the military more offensive and conventional. Iranian leaders could change the nature of the IRGC to make it more conventional or increase the prioritization of the Artesh. Both paths present political and structural challenges to the regime. The most likely course of action is the hybrid one, in which the Artesh is increasingly subsumed by a reformed IRGC.

Deception will continue to be a key pillar in Iranian military acquisition and posture. Closely tied to a Passive Defense Doctrine,¹¹³ Iran will continue to vest interest in overstating capabilities and displaying fake equipment.

An Analytic Framework

Drawing from these characteristics of Iranian decision-making about procurement, research, and development, one can begin to construct a general conceptual model of acquisition and military industrial production. This framework can also be a useful analytic tool for assessing where Tehran will likely direct its military investments in the next 10 to 15 years, both before and after the UN lifts its conventional weapons restrictions.

Iran's procurement and military production is oriented around seven domains of conventional warfare:

- Army and land power;
- Maritime power, including mines and antiship cruise missiles;

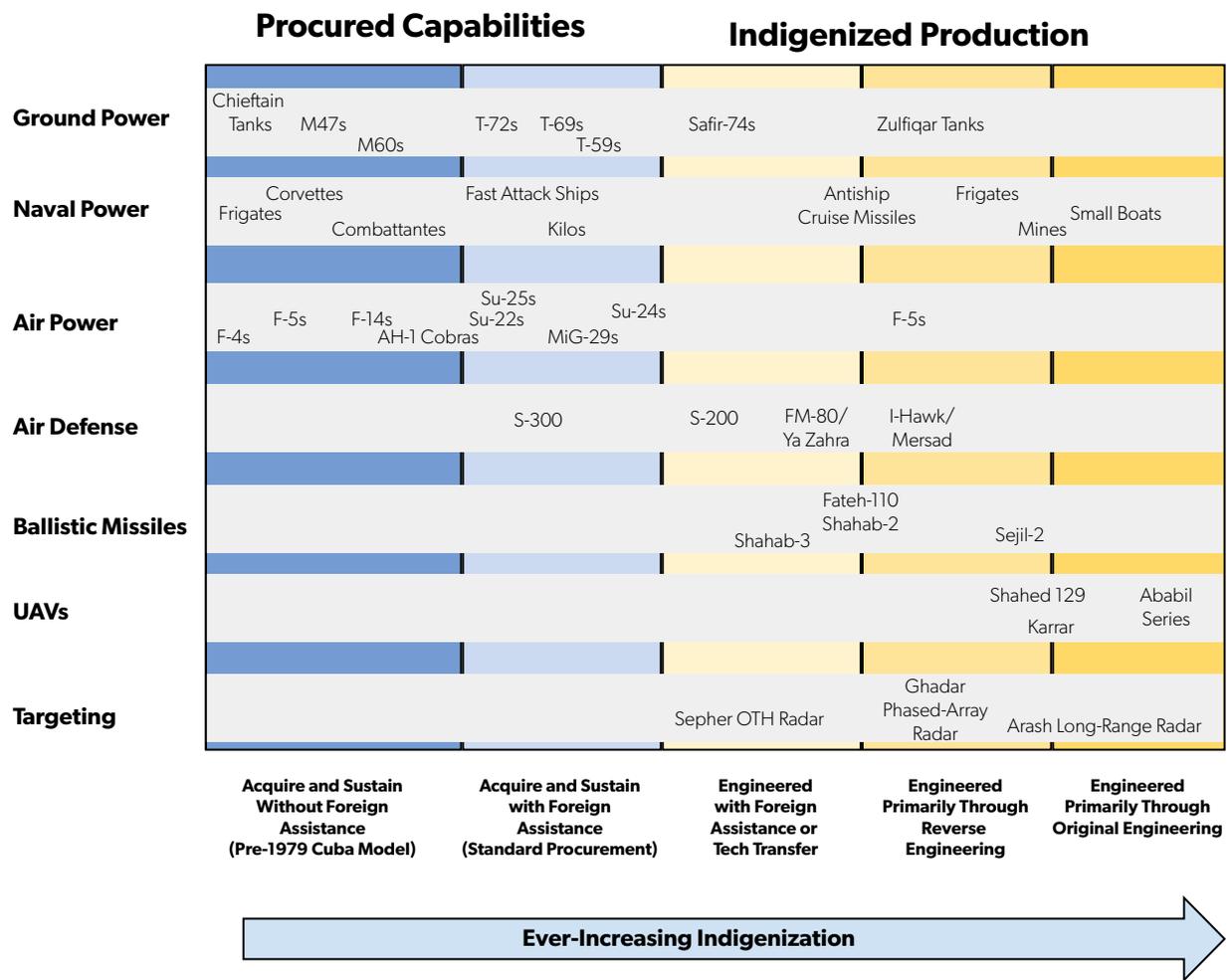
- Air power, including both fixed wing and rotary wing;
- Air defense systems;
- Ballistic missiles;
- UAVs; and
- Surveillance, electronics, and communications, especially radars, guidance, and targeting systems.

The pathways in which critical weapons platforms became operational for the Iranian military can further demarcate each of these domains. Based on historical analysis on procurement and production cited previously, the Iranian military pursues three primary pathways toward operational capability. The dominant one, by far, is through indigenous production. Iran achieves domestic manufacturing typically through several sub-pathways, including (mostly) original engineering, reverse engineering, or engineering with technology transfer or other type assistance.

The second primary pathway is acquisition and sustainment with external assistance. This is a classic procurement process, by which Iran purchases a system from a country, such as Russia, and continues to receive parts, technical support, modifications, and upgrades over time. This category could also include licensed production of a system under contract by an Iranian defense industrial firm. Iran may even be able to conduct its own modifications, upgrades, and refurbishments on certain foreign systems it has purchased, but it is not indigenous production unless it fully produces the platform. In any of these scenarios, Tehran will likely seek some form of technology transfer, overtly or covertly within the agreement, and evaluate the feasibility of moving the system into indigenous production.

The third primary pathway is procurement and sustainment without assistance. This approach covers the maintenance of Iran's pre-1979 legacy systems that the military cannot retire due to security requirements but cannot replace or recapitalize because of

Figure 5. Iran’s Major Operational Combat Systems



Source: J. Matthew McInnis and AEI colleagues, adapted from information by Jane’s Information Group.

resource constraints, technical limitations, sanctions, or political restrictions. A simple and colorful shorthand for this pathway is the Cuba model, referencing the parallel between the great lengths taken to keep the island’s famous 1950s cars running under the embargo with the Islamic Republic’s efforts to keep its Cold War-era air force flying without regular access to spare parts. Iran has had numerous successes in the past decade of reverse engineering platforms trapped in the Cuba model and moving them into indigenous production, but many such systems remain stuck on this pathway.¹¹⁴

Figure 5 lays out most of the Iranian military’s

major operational combat systems among the seven domains and along the three pathways toward operational capability, from lesser to greater levels of indigenization. This chart helps visualize both the unevenness of the IRI’s defense industrial base and its dynamic movement toward ever-increasing indigenization.

The strengths and challenges of each military procurement and production area as described earlier are evident in Figure 5. Iran has overwhelmingly indigenized its drone and missile capabilities. Iranian ground power appears to follow no acquisition strategy, reflecting the leadership’s lack of focus. Cold War-era

planes burden the IRI's air power, while the navy recently broke through key barriers in indigenization and may be ready to take on more power projection roles. Air defense has made strides in domestic production in the short and medium range, but Tehran still may need foreign help for critical high-profile, long-range systems.

Given Iran's strong pragmatic and ideological drive toward domestic production of military systems, assuming Iran is working to move most programs toward indigenization is useful. While the model does

not provide any kind of algorithm to predict where the IRI will prioritize investment, it is reasonable to assume that it is easier and more attractive bureaucratically to spend new resources on proven domestic production or promising research and development activities for critical weapon platforms. Iran almost certainly avoids expensive foreign acquisition unless there is a strong likelihood that Iran's defense industries are eventually capable of producing such a system indigenously.

Conclusion

As Iranian leaders debate exactly what their long-term threat environment and defense-spending priorities will be, robust increases in military spending are probable in the next five years, given GDP is likely to rise at 4 percent or more. For example, the budget Rouhani is proposing for 2017 represents an approximate 10 percent increase for the military with a more than 50 percent jump for the IRGC and an approximately 27 percent increase for the Artesh.¹¹⁵ With the UN conventional weapons restrictions remaining in place, those increased levels of funds will most likely follow the path of least resistance: toward systems in which Iran already has successful indigenous production lines and toward the most promising research and development programs.

Opportunity for a significant investment for military modernization and recapitalization will emerge once the United Nations lifts its conventional arms embargoes, partially in 2020 and fully by 2023. But just because Iran can now freely purchase any combat aircraft, attack helicopter, warship, tank, armored combat vehicle, artillery system, or missile system it wants, will it make the investment? The answer is: of course. Tehran will likely acquire some of all these types of platforms from Russia, China, and perhaps other suppliers. The Iranians have aging equipment that needs replacement and technology it would like to acquire in each of these domains. The Russian press indicates that Iranian military delegations have been visiting in 2016 to discuss Su-30s, Mi-8s and Mi-17s attack helicopters, T-72 tanks, K-300 Bastions antiship cruise missiles, and the latest versions of the Kilo submarines.¹¹⁶

The larger issue is the scale of any modernization Tehran wants to undertake. Rather than a gradual approach of replace and improve, Iran could shift dramatically and attempt to become a major conventional military power. It would push the IRI defense

budget's procurement and production model beyond what occurred during the rapid investment period of the mid-2000s. It would also mean that with the official and unofficial percentage of GDP spending on defense exceeding 5 or 6 percent, the IRI could procure a significant number of weapons without less concern for its ability to indigenize later on.

This course is possible, but unlikely, unless Iran sees compelling changes in its threat perceptions yet again. In absence of a new or increased threat, such as a growing risk of major war with the United States or its regional rivals, Iran's investments in conventional weapons platforms will likely be steadier and stay within its historical norms.¹¹⁷

Fiscal considerations may also make it difficult for the regime to pursue a more aggressive path. Khomeini, Rouhani, and other leaders are likely cognizant of the effects that years of exorbitant defense spending had on the domestic economies of the Gulf Arab states, and they will not want to risk the same path toward double-digit percentage of GDP spending on the military. A dramatic increase in Iranian defense spending during a period of low to moderate oil prices would risk a return to high levels of inflation (something the Rouhani government has worked hard to bring down), not to mention potential insolvency. These concerns could abate if oil prices increase, or if the government creates a sufficiently large modernization fund (on or off the books) through resources gained under the JCPOA implementation.

Iran's leadership paints a clear picture of major investment focuses in 2016. Tehran will accelerate its efforts on missile, drone, surveillance, radar, precision guidance, cyber, maritime power (including submarines, mines, and fast boats), and air defense.¹¹⁸ Of particular note, the Iranian navy may be poised to achieve more significant blue-water power projection capability once additional resources are dedicated to its

domestic surface vessel production capacity, although recent discussion of nuclear-powered submarines and aircraft carriers is likely purely aspirational.

Greater uncertainty lies around whether Iran wants to move toward becoming a true air and land power. The IRI will certainly purchase some new tanks, armored personnel carriers, and fighter aircraft after the UN lifts its sanctions. However, a full recapitalization of the air force could cost around \$40 billion USD,¹¹⁹ which Iran could likely do over 10 to 20 years but probably at the expense of most other major platforms. Overhauling the mechanized and logistics capabilities of the army could have similar costs. Such a scenario is not out of the question. These courses of action are feasible but will arguably require a change in Iranian threat perceptions first.

Another consideration, based on Iranian deterrence theory,¹²⁰ is whether the significant addition of air and other conventional power projection capacities will affect the relative importance of ballistic missile and proxy groups as tools of deterrence. Currently, the latter are the only two forces Iran has for strategic deterrence against the United States and Israel. Tehran, under the current leadership, would never fully give up its proxies and missiles. Having a real air force that could battle Israel, though, would make Lebanese Hezbollah less vital to Iran and therefore more susceptible to pressure from the United States.

Similarly, Iran's need for Passive Defense and Mosaic Defense doctrine may decline if more conventional deterrence capacities were available. It is also possible that Iran will make procurement and development decisions based on a desire for prestige, buying weapons that give the appearance of strength, with few operational capabilities.¹²¹

The bottom line, however, is that there is no evidence yet that Iranian leaders have made the larger decisions about what a more offensive military will look like, post-United Nations Security Council Resolution (UNSCR) 1929. Those debates are likely underway in Tehran. US policymakers should recognize and understand this dynamic, given our role in shaping these choices for the Islamic Republic.

The biggest factors in IRI procurement and defense production decision-making are resources and threat perceptions. An unlikely, but possible, sustained GDP growth of 8 percent could provide the funds for a transformative modernization of the Iranian military. If growth falls below expectations, the budgetary infighting among the services and government could be fierce.

Through JCPOA's implementation and non-nuclear-sanctions policies, the US still has enormous influence over Iran's business and investment climate and ultimately the Iranian military budget, which appears to be highly GDP-sensitive. Even beyond the JCPOA and the conditions of the UNSCR 2231, opportunities exist for the United States to shape Iranian defense-spending decisions. This is a frustrating circumstance for Tehran, which has sought to have its military production capabilities increasingly free from foreign influence.

If policymakers gain acute insight into Iranian defense-spending trends, the United States can play a dominant role in shaping threat perceptions, shaping appropriate sanctions and regulations, and thus shaping Iranian defense spending. This can prove to be a significant advantage for both Washington and its regional allies as they seek to deter Iranian aggression.

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Conclusion

For decades, the United States has failed to adequately understand the motivations and objectives at the heart of the Islamic Republic of Iran's (IRI) foreign and security policies. That Washington is unable to more effectively combat Iran's revisionist ambitions in the region or better prevent unconventional conflict with the Islamic Republic is unsurprising given that a cohesive and holistic strategy to counter Iran is impossible without understanding its strategic culture and the manifestation of that culture into military campaigns, doctrines, weapons platforms, and soft-power tools.

Seeing Iran Through Models

From an epistemological standpoint, this monograph developed a series of analytic frameworks or models to provide policymakers with the crucial tool kit necessary to diagnose Iranian security behaviors and develop more realistic strategies in response. If properly understood, this tool kit can help the US comprehend Iranian goals and how Iran achieves them. Most importantly, the models can advise on how to effectively shape Iranian security behavior to Iran's advantage.

The models set forth in this monograph are built from an analysis of Iranian goals, tactics, capabilities, and characteristics. They consider Iranian strategy from multiple angles, resulting hopefully in a more accurate analysis. Four core variables influence how Iran makes decisions: ideology, resource availability, formal and informal networks of key individuals and above all else, threat perceptions. The interplay among these variables shape how Iran sees the world and what becomes a priority for Iranian leadership.

I created these models to help analysts and policymakers think through what Iran will do in times of

crisis and war. They intend to improve military planning, prevent miscalculation, defuse crises, and end future conflicts on better terms for the US. Perhaps most importantly, these findings can help strengthen our approach to deterrence, ensure escalation dominance, and if at all possible, win without fighting.

These frameworks can be the foundations for more sophisticated strategies to counter Iran's regional ambitions and destabilize asymmetric activities. They are useful for policies aimed at containment and long-term rollback of Iranian influence. They could even include long-term strategies designed at cost imposition, in which the US incentivizes Iran to invest in expensive platforms and challenge theaters where the US maintains comparative advantage. But in the modern political climate, it may be too difficult to develop complex initiatives that involve multiple branches of government and span across successive administrations. "Clever" strategies should be on the table, but they must be approached with a realistic perspective on implementation challenges.

A cautionary point about models is that these frameworks are not algorithms—they do not produce unflinching predictions, but they can help policymakers begin to decode Iranian behavior. The variables will change over time, of course. The supreme leader will die soon. Other key leaders will leave the scene. Iran's resources will fluctuate, and threat perceptions will certainly evolve, although it is unclear exactly how. The elites' adherence to the current ideological orthodoxy will likely remain the same for the foreseeable future, although expediency and threat perceptions will inevitably overrule key tenets.

Additionally, primary assumptions in these models could shift over time. In the post-Joint Comprehensive Plan of Action (JCPOA) environment, will Iran spend more on defense as a percentage of gross domestic product than it has since the Iran-Iraq War?

After Supreme Leader Khamenei's passing, will the Islamic Revolutionary Guard Corps (IRGC) play an expanded role in crucial decision-making? Overtime, will Persian nationalism reemerge as a driving factor in security decision-making? Will any variable push Iran away from its fixation on indigenized defense production?

The reader must also remember that despite the preeminence of threat perceptions and expediency in Iranian calculations, ideology still matters in important ways. Mad mullahs may not necessarily be in charge, and Iranian security decision-making is neither opaque nor fundamentally irrational, but IRI foreign policy is still anchored at key points by ideology that overrides normal considerations of security dilemmas or *realpolitik*. These include opposition to the US and Israel and the spreading of Khomeini-ist versions of Islamic governance.

Ideology, as noted throughout this monograph, can change for the sake of expediency. For now, though, as of early 2017, no signs of such movement are within the elite leadership cohort. This is important for those in the US who may look at our challenges with Iran as ultimately driven by a long history of mistrust, miscommunication, and misunderstanding. These elements certainly add to the problems between Washington and Tehran, and both parties should work to mitigate them, but they are not the source of problems. Policies oriented around confidence-building measures and increasing communication channels may help at certain tactical levels, but they will do little, if anything, to change Iran's ideological and strategic opposition to our interests.

The shift that so many in Washington hope to see one day may still come. Tehran could end geopolitically irrational opposition to the US and Israel. It could stop overinvestment in the Levant and sponsorship of revolutionary-minded proxies who commit terror and conduct unconventional warfare far beyond Iran's borders. But all of that requires a fundamental change in either the makeup or belief system of those who rule in Tehran. Many point to the experiences of China in the 1970s or the Soviet Union in the 1980s as potential pathways for the eventual turn in Iran's Islamic Revolution. Those examples provide

a reference point for US policymakers, perhaps even a starting point for grand Nixonian or Reaganesque approaches.

The ideological factor, more than anything else, is what makes Iranian security decision-making so difficult for outside observers to decipher. Unlike the Chinese Communist Party in the People's Republic of China, Iran is an ideological state without a traditional single political party to manage its security apparatus. As a result, Iran has a frustratingly unique, often contentious, but still consensual decision-making process. Overtime, though, the IRGC increasingly plays the role of unifying party, although never to the extent of the Communist Party in China.

If the Iranian elite do move past their revolutionary ideology for whatever reason, the IRGC has built such a significant bulwark throughout society that it is hard to see how the group would not be at the heart of a new nationalist or pseudo authoritarian regime. It would certainly be an important improvement if Tehran no longer exports the revolution by undermining regional governments and supporting terrorist activity.

The Way Ahead: Considerations for an Evolving Iran

Western leaders know that Iran is willing to fund groups that kill civilians to advance their interests, so what would Iran do with an offensively focused conventional military? To achieve this lofty goal, Iran would first need a blue-water navy, modern aircraft and artillery, and military bases in areas beyond the Persian Gulf. Each of these advancements will seemingly be a tall order for a regime that builds fake tanks to deter invasion. However, with massive economic relief and diminished perceptions of threat, signs indicate that Iran could turn to this type of power projection.

For the first time since the 1979 revolution, Iran used conventional military power well beyond its borders in backing the Assad regime in Syria. The campaigns in Syria and Iraq are driving changes in the Iranian military to respond to evolving threat perceptions. Top Iranian officials are now expressing a

desire for more offensive capabilities and doctrines, as well as overseas bases. For Iran to engage in overt expeditionary warfare and other activities previously considered “imperialist,” Tehran must reconcile ideological aversions held since 1979. If these trends continue, Iran may be on the path to pursue a full suite of conventional coercive capabilities against regional rivals. The US and its allies must anticipate this threat and prepare to respond.

The JCPOA gives Iran significantly more economic freedom and maneuverability in developing conventional forces. Perhaps most importantly, Tehran was reassured, at least for the time being, that a major strike against its military program from the United States or Israel was unlikely. Since the end of the Iran-Iraq War, Iran has built up its military primarily to deter the United States and regional adversaries using asymmetric means. Now, if it chooses, Iran can place greater focus on projecting coercive land, air, and sea power in the region against rivals and non-state actors.

Washington must also consider how Iran will look after the sunset of the JCPOA, assuming the deal survives. In 2030, Iran will have the freedom to build up a complete industrial nuclear program, and America may have fewer tools to prevent nuclear breakout. Will Iran’s economic and defense cooperation with Russia, China, and North Korea lead to greater political cooperation and expanded covert sharing of nuclear or other critical technologies? Iran could also modernize significant conventional military forces by this point, depending on economic resources and Iran’s

ability to acquire advanced weapons platforms. Will an offensive or more conventional Iran be a greater threat to our allies in the region, especially after the acquisition of advanced Russian weapons systems? These questions must be addressed if the US develops a coherent Iran strategy.

If there is one overriding lesson from the historical research, it is the United States’ overwhelming influence on Iran’s strategic policies and behaviors. US policymakers should recognize the power that Washington possesses to affect Iran’s threat perceptions, resources, and capacity to ensure escalation dominance in any conflict with the Iranians.

Using the context of strategic models to understand Iran’s decision-making processes, the US can begin to predict and preemptively counter Iranian aggression. Without this perspective, the United States will find itself constantly on the defensive in the Middle East. Doing so will also make the IRI more transparent and predictable, aiding efforts to block Iran’s harmful activities in the region. The key is to understand the Islamic Republic and take targeted actions based on that understanding. If the US can do that, it may see Iran, and the IRGC in particular, loosen its grip on the region.

In the end, who knows Iran’s ultimate path? What is certain is that the US will shape it, although policymakers should be humble in claiming surgical precision in conducting policies. Hopefully, this monograph provides current and future administrations better tools to win our long cold war with the ayatollahs.

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