

ISIS, Israel, and Nukes

Iran Faces Crises

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November 2014



A M E R I C A N E N T E R P R I S E I N S T I T U T E

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Key Points

- Three major crises in 2014—ISIS's invasion of Iraq, Iran's potential failure to escape sanctions related to its nuclear program, and Iran's weakened position in the Palestinian territories following the most recent Gaza conflict—have collectively placed the greatest strain on Iran's national security decision making since the end of the Iran-Iraq War in 1988.
- The ideological and religious principles underlying Tehran's policies result in red lines that guide Tehran's security behavior and actually make Iranian decision making more predictable rather than more opaque.
- With no foreseeable change in Iranian Supreme Leader Ayatollah Ali Khamenei's core anti-American and revolutionary ideology, the United States should expect no more than temporary, tactical cooperation from Iran on issues such as ISIS and resolving the impasse over the Iranian nuclear program.

Better policy toward the Islamic Republic of Iran begins with a better understanding of Tehran's decision making. Analysts, commentators, and policymakers are overwhelmed by the apparent complexity of Tehran's political system, believing it to be opaque and often the source of irrational decisions. Because of these misperceptions about Tehran's intentions, the United States has been too often shocked by Iran's actions, including:

- Multiple revelations of secret nuclear program work over the past decade;
- The post-2003 building of an army of proxy forces, such as Khataib Hezbollah and Asa'ib al-Haq, to target Americans and US allies in Iraq;
- Periodic reckless naval encounters with US ships in the Persian Gulf;

- The 2011 attempt to blow up the Saudi Arabian ambassador to the United States at a restaurant in Washington, DC; and
- The complete underestimation by the United States and its allies of how far Iran would go to salvage the regime in Damascus after the eruption of the Syrian Civil War in 2011.

The United States can do better. Iran's 2014 response to the onslaught of ISIS in Iraq, to the aftermath of the Israel-Hamas conflict in Gaza, and to its continuing impasse with world powers over its nuclear program demonstrate how the fundamental principles of Iran's foreign and domestic policies intersect with specific circumstances in each crisis, driving policies in ways that are more predictable than many believe. And while predictions of any state's behavior are notoriously suspect and often miss the mark, that does not mean that US policymakers and analysts cannot at least narrow the range of Iran's possible and likely actions.

Rigorous dissection and thorough analysis of the decision-making process, especially in crises, can reveal Iranian leadership's consistent motivations and reaction patterns. As complex as Iran's political system appears, its unique combination of ideology and nationalism arguably results in more identifiable red lines than in a country such as the United States. More fully understanding those lines could give American policymakers an enormous advantage in anticipating, shaping, and mitigating Iran's diplomatic and military activities.

Comprehending Iranian Decision Making

Understanding Iran is not easy. Careful study of the relationships between senior leaders, internal decision-making structures, ideological principles, and official statements and actions can provide far greater insight into how Iran works and, more importantly, why the Tehran regime does what it does. Discerning the drivers of behavior can help not only explain Tehran's policies but also anticipate how the regime will interpret US actions and react to crises as they occur and evolve.

In essence, there are five factors crucial to understanding the motivations of the Iranian regime:

1. **Regime preservation:** More than simply defending its borders and deterring potential aggressors, the Islamic Republic constantly fears and guards against internal instability and other threats to the regime's political structure.
2. **Continuation of the Iranian Revolution:** Everyone's current job in the regime hierarchy is based on the premise of a revolutionary state that both upholds and promotes throughout the Muslim world the principle of guidance by the Islamic jurist (Vilayat-e Faqih)—that is, a clerical guardianship over the people as embodied by Iran's system of government under the Supreme Leader. For the Iranian system to retain its legitimacy, keep its adversaries at bay, and ensure Tehran's influence abroad, the 1979 revolution continues through the Islamic Revolutionary Guard Corps (IRGC)—led network of political alliances, paramilitary proxies, and terrorist groups (such as President Bashar Assad's government in Syria, Lebanese Hezbollah, Palestinian Islamic Jihad (PIJ) Movement, and a host of Shi'a militia groups throughout the Middle East) known as the Resistance Network. The primary mission is to preserve the revolutionary state and contest the power and policies of the West, Israel, and rival Arab states (such as Saudi Arabia and the Persian Gulf states).¹
3. **Economic strength:** Iran has shown an ability to survive economic sanctions and relative isolation, and maintaining its financial health and growth remains a core objective of the regime. Like most states, it needs a solid economic base to ensure domestic stability and to support its security and foreign-policy goals.
4. **Primacy in the region:** Iran wants maximum freedom of action in the Middle East as it seeks to become the region's political, economic, and military leader.²
5. **Leadership of the Islamic world:** Iran sees itself as the natural leader of the Muslim community. To give up that mantle would have profound effects on the legitimacy of the regime's ideology and on the Islamic Republic's own identity. However, as the leading Shi'a Islamic power, Iran also has special moral and emotional obligations to protect Shi'a populations and important religious sites around the world (such as the holy Shi'a shrines in Iraq). This can cause significant tension and distrust with Sunni Muslims in the region and frequently undermines Tehran's pan-Islamic aspirations.³

The regime can bend but not break on any of these factors without changing the very nature of the current Iranian political and ideological system. It is the regime's perception of threats to

these core principles that drives Iran's behavior both internationally and domestically. Some of these pillars, such as regime preservation and economic strength, are crucial for all states. Others, such as the need for regional leadership, are pursued only by large powers such as the United States, Russia, and China. However, it is the revolutionary and Islamic character of Iran's regime, including the special role it plays in the global Shi'a community, that give Iran's decision-making behavior a distinctive pattern that can be better anticipated than most other states.

One also has to understand the decision makers—especially, Supreme Leader Ali Khamenei and his inner circle, President Hassan Rouhani, the IRGC, and other key national security figures—to interpret and anticipate the regime's thinking. The senior leadership's decision making is consensual, centered on the Supreme Council for National Security (see figure 1). No one can stray from Khamenei's guidelines, which is why observers should not become too distracted by personal rivalries and loud political posturing among the “reformists,” “moderates,” and “hardliners.” Ultimately, the regime maintains fairly consistent and coherent policies that reflect the Supreme Leader's will.⁴

Despite some nuclear-related sanctions relief after the Geneva Joint Plan of Action (JPOA) was signed with the United States, the United Kingdom, France, Germany, Russia, and China (P5+1) in November 2013, the past year has been difficult for Iran, with pressure on almost all fronts. The Gaza conflict brought into relief the erosion of Iran's Resistance Network in the Palestinian areas and its weakened deterrence capabilities against Israel since the beginning of the Syrian Civil War.

Iran's inability to achieve a comprehensive agreement with the P5+1 over the Iranian nuclear program continues to place enormous stress on the state's economic stability and long-term regional status and may ultimately re-invite a potential military attack from Israel. Most dire has been the existential challenge posed by ISIS's capture of northern Iraq, threatening Iran's Iraqi allies and even Iran's own territorial integrity.

Figure 1. Iran's Resistance Network and Allies under Pressure



Source: The author

The following case studies reveal not only an Iran grappling with extremely complex foreign-policy tests but also an Iran making policy choices consistent with its strategic objectives. These decisions also reflect clear responsiveness to the internal red lines set by the regime's ideological and national interests. This is an Iran that can be understood and anticipated.

ISIS's Arrival in Iraq

Key points:

- ISIS's campaign in Iraq represents an existential threat to the Iranian regime, and Tehran will do whatever it takes to stop Sunni extremists from controlling Iraq's Shi'a areas or from threatening Iran's borders.
- Iran is stretched thin because of the requirements of maintaining two fronts: supporting President Assad in Syria and bolstering the Iraqi security forces.

- The fact that Iran and the United States have different objectives in both Iraq and Syria undermines any potential cooperation between them in the fight against ISIS.

The US-led invasion of Iraq in 2003 removed the largest obstacle to Iran's foreign-policy objectives at the time: Saddam Hussein's regime. Subsequent US policy enabled the establishment of an Iraqi Arab Shi'a regime more instinctively aligned with Tehran. The next seven years saw a significant growth of Iran's influence and presence throughout the Middle East region as Iran's Resistance Network of partners and proxies exported its extreme agenda across borders.

Led by IRGC Quds Force Commander Qassem Suleimani, this network grew not only in Iraq but also in places such as Yemen, Afghanistan, and Africa.⁵ The 2006 war between Lebanese Hezbollah and Israel showed Iranian influence perhaps at its peak, illustrated by the fete for Mahmoud Ahmadinejad, the Islamic Republic's president at the time, in the streets of Beirut.⁶

The Arab Spring changed this trajectory. Iran welcomed the fall of Egypt's Hosni Mubarak in early 2011 as a chance to supplant US and Israeli influence in the region. On the other hand, Iran misjudged the situation in Syria—the political and geographic lynchpin of Iran's Resistance Network—and did not adequately respond to the crisis stemming from the protests against the regime's then-most-critical ally, President Assad.⁷

While Iran could not afford to lose Syria to anti-Iranian Sunni forces, salvaging Assad's minority, Alawite regime also meant taking clear sectarian sides in the conflict, stoking resentment among Syrian Sunnis toward Iran and its allies and creating an opportunity that ISIS and other Sunni extremists would later exploit. Iran likely understood that ISIS presented a potential long-term threat. However, instead of focusing its efforts on supporting Assad by combatting the extremist group, Iran helped the Syrian regime target the Free Syrian Army and other more moderate groups. ISIS's role in the conflict presented a useful narrative to Iran and Assad that the Damascus regime was fighting foreign terrorists rather than its own people.

ISIS's rapid invasion of northern Iraq in June 2014 caught Iran by surprise. As AEI's Frederick W. Kagan has laid out in much greater detail, Iranian leadership were in an initial state of confusion but came to a consensus decision on the need for very robust political and military roles in the Iraq crisis. Suleimani and Ali Shamkhani, secretary of Iran's Supreme Council for National Security, led this effort.⁸

The potential loss of Iraq to ISIS is an existential crisis of the first order for Iran. Tehran's response is most likely driven by five objectives.

First, Iran strives to prevent the Iraqi conflict from spilling into the Iranian homeland. Iran's top priority is to coordinate multiple elements of the IRGC—specially the Quds, ground, and air forces—with the regular Iranian Army (the Artesh) to defend Iranian territory from any outside threat, as evidenced in the establishment of a “do not cross” line 100 kilometers west of the Iranian border in Iraq.⁹

Second, Iran prioritizes defending Shi'a populations and holy sites throughout Iraq. Given that Tehran self-identifies as the defender of Shi'ites worldwide, it has become unavoidable and necessary for the Quds and Iraqi security forces to prioritize defending the cities and Shi'a shrines of Baghdad, Karbala, Najaf, and Sāmarrā. This was especially true after the ISIS call to massacre Shi'ites in Iraq and after the reports of mass executions of captured, predominantly Shi'a Iraqi security forces.¹⁰

Third, Iran has a vested interest in maintaining a friendly Iraqi government in power. Any portion of Iraq that is ISIS controlled is unacceptable and would pose a constant threat to Iran's security. Such a development would also place an enormous political, ideological, and logistical burden on the large network of partners and proxy forces that Iran manages in Iraq and the Levant as part of the Resistance Network. Iraq's political and security leadership also must remain in the hands of those friendly to Iran.

Fourth, Iran, specifically the IRGC Quds Force, has to balance its efforts in Syria with those in Iraq. Iraq is the higher priority, but Iran cannot lose Syria either. The IRGC must continue to

carefully evaluate which assets to allocate to Syria and which to the Iraqi fronts. Both Lebanese Hezbollah and Assad have achieved hard-won territorial gains since early 2013. They will not tolerate the loss of these advances from an ISIS- or rebel-led assault.

Lastly, Tehran will have to determine how to manage any US assistance to the Iraqi government in combating ISIS. Despite facing a common enemy, the United States and Iran are still strategically at odds in the region. They oppose each other in Syria and have different goals in mind for the Iraqi state and its security structures.¹¹

Failure regarding any of these five objectives could pose unacceptable risks to Iran's security. Therefore, Tehran can be expected to go to almost any length in Iraq to protect its vital national and revolutionary interests. For example, in Syria the regime has deployed some of its best IRGC units and advisers despite the threat of heavy casualties. In Iraq, Tehran ditched its ally Nouri al-Maliki, former prime minister of Iraq, when an acceptable replacement was found in the new prime minister, Haider al-Abadi.¹²

A huge unknown at this point is what could occur between the Iranian and US militaries as they operate in Iraq. Based on Iran's ideological and political need to resist US policies and influence, Iran will make sure the United States does not come out of this crisis in a stronger position, either in Baghdad or in the region. Iran will likely tolerate or even welcome a short-term tactical engagement by the United States but will strongly resist any form of activity that could appear a resumption of a permanent American military presence or significant influence in Iraq, such as expanded government advisory and intelligence support roles for US personnel.

The Gaza Conflict and Its Aftermath

Key points:

- Hamas's 2011 split with Iran, Lebanese Hezbollah, and Assad left all sides more militarily and politically vulnerable.

- However, since Israeli ground troops invaded the Gaza Strip in July, Iran has renewed its support for Hamas and seeks to reclaim a dominant position in the Palestinian territories, which could include arming and building more proxy groups in the West Bank.
- The United States and its allies should be wary of Tehran attempting to spoil efforts toward political resolution among the various Palestinian factions and Israel.

In the midst of the Iraq crisis came yet another one, this time in Gaza, and it threatened one of the Islamic Republic's historically most important partners: Hamas. The Sunni resistance organization has long been the beneficiary of significant military, financial, and political support from Tehran and a critical component of Iran's campaign against Israel. Hamas operatives' kidnapping of three Israeli teenagers near Hebron on June 12, 2014, initiated not only a significant crackdown by Israeli security forces in the West Bank but also an escalating exchange of rockets fired into Israel by Hamas and airstrikes launched by the Israeli Defense Forces (IDF) into Gaza. Then, on July 7, Israel began Operation Protective Edge, a major air campaign against Hamas leadership and infrastructure in Gaza.

The official reaction from Iran was curiously sedate. During the run-up to Operation Protective Edge, Supreme Leader Khamenei occasionally expressed his anger regarding the Israeli airstrikes by tweeting; by July 8, the vast majority of his tweets were condemnations of the Israeli campaign.¹³ The rest of the senior Iranian leadership was, for the most part, fairly restrained in their commentary in the press, if they offered any at all.

Why the delayed denunciation by Iran? As in the first few days after Mosul's fall to ISIS, the lack of a coherent and clear message from Tehran likely indicated that the leadership was still digesting events and had yet to make any policy determinations.¹⁴ The scale of the Israeli operation was uncertain as well. There were, however, other factors holding back a decisive Iranian engagement in support of Hamas.

First, the fight against ISIS in Iraq was just getting into full swing. The IRGC was busy facilitating the transfer of allied and proxy forces from Syria to Iraq to defend Iraqi Shi'a populations and shrines.¹⁵ Even with the help of some Lebanese Hezbollah forces in Iraq,

Suleimani and IRGC leadership most likely recognized that their ability to orchestrate major operations against Israel from Syria or Lebanon would be constrained.¹⁶

This crisis has also highlighted Iran's weaker position against Israel. Since its severe losses in the 2006 war with Israel, Lebanese Hezbollah, one of Iran's proxies, has shied away from taking provocative military actions against Israel. This has limited the group's usefulness to Iran in that theater. The IRGC's most loyal proxy force in the theater, PIJ, has never gained a notable following in the West Bank or Gaza.¹⁷

Hamas, a radical Palestinian organization, has been the only Iranian partner both capable and willing to mount significant operations against the IDF—that is until 2011, when Hamas broke up with Iran, Hezbollah, and Assad over their collective efforts to brutally stamp out the largely Sunni-led Arab Spring uprisings in Syria.¹⁸ Having common enemies such as Israel and the United States was not sufficient to overcome the long-standing ideological tensions between the Sunni Hamas group, which is aligned with the Muslim Brotherhood, and the Shi'a Islamic Republic of Iran.

Serious efforts at rapprochement began early in 2014, before Hamas agreed to form a unity government with the Fatah leadership in the West Bank.¹⁹ When the Gaza conflict broke out in July 2014, Iran and Hamas were still on uncertain terms. How Tehran would handle policy toward Hamas during Syria's brutal sectarian war was probably not clear to many inside and outside the regime. Consequently, the delayed messages from Iranian leadership in early July were not surprising.

This dramatically changed after Israeli forces began a ground invasion of the Gaza Strip on July 17. Four days later, Khamenei and several other senior officials issued strong statements on the need to support the fight against Israel and, in the words of Khamenei, "arm the West Bank like Gaza," implicitly acknowledging Tehran's role in covertly providing weapons and munitions to Hamas in the years before the Iran-Hamas schism over Assad.²⁰

Fears of escalated conflict increased on July 23 when Mousa Abu Marzook, deputy chief of the Political Bureau— Hamas’s top decision-making body—called on Iran’s most important proxy and partner, Lebanese Hezbollah, to open another front against Israel from the north.²¹ This statement followed the reported phone call from Hezbollah Secretary General Hassan Nasrallah to Hamas Political Chief Khaled Meshaal on July 20, during which Nasrallah allegedly pledged Hezbollah’s support for Hamas’s fight.²²

This major shift indicated that Tehran had likely made important strategic decisions as the Gaza conflict worsened. What were the key factors that led the Iranian Supreme Leader to consider intervening more directly in the Palestinian territories during the Gaza conflict and in the longer term?

First, it was ideologically essential for the Iranian regime to be identified as the leader of the resistance against Israel. Not having been seen at the forefront during the initial stages of the July conflict, Iran needed to show its banner and claim credit for Hamas surviving the Israeli invasion.²³

Second, Iran’s Resistance Network was again at risk of being unable to adequately confront and deter Israel and the United States after the Syrian and Iraqi crises. Defending the Assad regime had taken precedence over everything else, leaving Tehran dangerously exposed—first in Iraq, then in the Palestinian theater.

Third, Hamas’s stronger-than-expected performance against the IDF proved Hamas’s worth, despite the difficult ideological and political tensions Iran has with the Sunni, Muslim Brotherhood–aligned group. Iran needs powerful allies in the Levant and the Palestinian territories to help deter Israel while Tehran and Lebanese Hezbollah focus on supporting Assad and fighting ISIS.

Finally, Iran cannot afford to have another country or radical group—whether Saudi Arabia, al Qaeda, or ISIS—fill the vacuum that might be created by uncertainty in Gaza and the West

Bank. A weakened Hamas leaves Gaza and the West Bank more vulnerable to greater intervention by Iran's rivals and enemies.

Since the ceasefire between Israel and Hamas in August, Iran's senior leaders have continued to express their commitment to Hamas and to arming the West Bank. On October 16, 2014, Supreme Leader Khamenei met with PIJ Secretary-General Ramezan Abdullah and called the recent Israel-Hamas war a "harbinger of future victories," stating, "We act so that the enemy [Israel] feels the same level of concern regarding the West Bank as it does regarding Gaza."²⁴ Khamenei's statements were followed by additional affirmations of his policy toward the West Bank by former Iranian president Hassan Rafsanjani,²⁵ IRGC Commander Major General Mohammad Ali Jafari,²⁶ and, most recently, Deputy Foreign Minister Hossein Amir Abdollahian.²⁷

Despite Tehran's boasts of having already started the West Bank armament process, it is still unclear what, if anything, has so far been achieved by the IRGC. But there are also no indications that Iran is backing away from its stated policy.

So what will Iran likely do in the Palestinian territories in the coming months? For one, Tehran will certainly be looking for ways to revive Hamas's financial and military capabilities, which could potentially involve working with Qatar and Turkey. Also, the IRGC will likely attempt to increase the rocket and missile arsenals, among other weapons, of its proxy groups in the region: the PIJ and Lebanese Hezbollah. This could create a more powerful multi-axis threat to the IDF.

Furthermore, the IRGC will likely attempt to create volunteer Palestinian militias modeled on Iran's paramilitary Basij forces, which serve under the IRGC. However, it will be hard for Iran to send large numbers of weapons, advisers, and political agents into the West Bank through the most feasible pathway, Jordan. It will be equally tough for Iran to build up possible new militia groups in the same territories.

Finally, as Hamas tries to stabilize its position in Gaza in relation to the IDF, local population, and Palestinian government in the West Bank, Hamas may become very reticent to confront the

IDF, just as Lebanese Hezbollah has been since its 2006 war with Israel. This may be Iran's most significant challenge in reviving its capabilities in the Palestine territories: an ally who is reluctant to fight.

The United States should recognize that efforts toward Palestinian unity and a more lasting security situation between Hamas and Israel are not to Iran's strategic benefit. In addition to addressing Iran's blatant policy to escalate violence in the region, the United States should work with its Israeli and Palestinian partners to identify and check Iran's attempt to spoil efforts toward political resolution among the various Palestinian factions and Israel.

Iran's Quest for a Nuclear Deal

Key points:

- Both Supreme Leader Khamenei and Iranian President Rouhani agree that a nuclear deal is needed for Iran to get relief from economic sanctions.
- Iran's renewed fears of Israeli actions against the Islamic Republic's nuclear program and of worsening economic prospects are likely placing greater pressure on Tehran to reach an agreement.
- The Iranian regime appears to believe there is a good chance for an eventual comprehensive agreement, and Western negotiators should take advantage of Iran's increasing desire to achieve an agreement in the final days before the November 24 deadline.

President Rouhani's 2013 campaign platform was largely based on seeking a less confrontational relationship with the West and getting relief from economic sanctions. It was a surprise to many—including regime insiders, leaders, and observers around the world—to witness the Iranian Supreme Leader appearing to partially agree with Rouhani. Why would Khamenei be ready to seriously engage the United States? There are many reasons for Khamenei's support, but six stand out:

1. Iran has experienced stronger economic pressures resulting from the harsh sanctions imposed on the country a year ago (for example, the European oil embargo).
2. Khamenei and Rouhani had a long association during the management of Iran's nuclear program. The Supreme Leader learned to trust the new president and have faith in him as a negotiator.
3. Iran realized long before the breakout of ISIS that rising Sunni extremism and the deepening sectarian conflict emanating from Syria were becoming a greater threat to Iran's regime than the need for a potential nuclear deterrent against the United States and Israel (nuclear weapons are unlikely to be useful in fighting extremist groups like ISIS and al Qaeda).
4. Iranian leadership understood President Obama's strong desire to break the impasse on the nuclear program, including signals that the United States was ready to back off demands for zero uranium enrichment.
5. The relative strategic value of a possible nuclear weapon declined for Iran as its conventional deterrence capabilities improved, especially as Iran enhanced and upgraded its maritime defenses and ballistic missiles.
6. Perhaps most importantly for the nuclear negotiations, Iran's nuclear program had finally reached a level of technical competency that could no longer be reversed.²⁸

As a result of these factors, Iran found itself with room to negotiate. As long as the Islamic Republic is able to easily and rapidly produce more highly enriched uranium, it can give up some of its supply with relative ease.

This is also why negotiations continue to stall. Real reversals in the nuclear program's capability to produce enriched uranium would undermine the regime's motive to engage in talks. But reducing Iran's capability to produce enriched uranium is exactly what the United States and other P5+1 countries have been seeking as the best way to ensure Iran cannot make a nuclear weapon.²⁹

When the talks under the JPOA hit their initial July 20 deadline, the decision to extend negotiations into November was easy for Iran. All the incentives remained in place for Iran to

work toward a deal, and the Supreme Leader continued to express his support for Rouhani's efforts.³⁰ However, the reality that the impasse with the P5+1 may not be resolved appears to have sparked fears that Tehran may again face a military threat to its nuclear program.

On August 20, Brigadier General Amir Ali Hajizadeh, IRGC air force commander, made a speech underlining Iran's defensive capabilities and potential to respond to Israeli aggression.³¹ This marked the return of a strong Iranian rhetoric, last heard in 2012, against the threat of an Israeli military strike on Iran's nuclear program.³² This was especially notable since most observers believe that military action against Iran's nuclear facilities by either the United States or Israel was out of the question during the P5+1 negotiations.

Just three days later, Hajizadeh's forces allegedly shot down an Israeli surveillance drone near Iran's nuclear enrichment facility in Natanz.³³ This event likely confirmed fears in the regime of a renewed threat of an Israeli strike on Iranian nuclear facilities, to which Tehran responded with full-throated condemnations.

Failure to reach a nuclear deal in July also led to the return of the Iranian leadership elite's open criticism of President Rouhani, which had stopped after the fall of Mosul in June.³⁴ On August 12, Rouhani harshly answered his domestic opponents by calling for more aggressive economic reforms and patience if Western sanctions were not lifted.³⁵ In essence, the president was asking the country to prepare for Plan B in case a comprehensive nuclear agreement was not reached. In an August 27 speech, Supreme Leader Khamenei confirmed his support for Rouhani's leadership and for continued negotiations with the West while stating his doubts about achieving sanctions relief.³⁶

The subsequent rounds of P5+1 talks in September and October ended without any apparent breakthroughs, though Rouhani and other senior leaders expected, or at least hoped, that some kind of deal could still be reached by the new November 24 deadline.³⁷ They have been equally clear that they do not want to go backwards, to before the November 2013 Geneva agreement, with a return of full sanctions and the threat of military action from Israel.

The October 5 unexplained major explosion at the Parchin military complex, where Iran is suspected of conducting nuclear weapons research, and the recent substantial drop in global oil prices, which further threatens Rouhani's economic programs, will likely put even greater pressure on Tehran to reach an agreement.³⁸ Late–October 2014 press stories from the Atomic Energy Organization of Iran about the arrests of major spy rings and attempted attacks on Iran's nuclear infrastructure further highlight Iran's fears of a new sabotage campaign.³⁹

So what can the United States expect next from Iran? First, Iran will likely increase its deterrence efforts. After the downing of the Israeli drone near Natanz, Hajizadeh has accelerated the regime's post-Gaza-conflict policy of arming partners and proxy groups in the West Bank with advanced missiles. Iran would like Israel to fear the bloodiest retaliation possible.

Second, the IRGC will look for new and improved ways to defeat Iron Dome, the Israeli missile defense program. The generally effective performance of Iron Dome defenses during the Gaza conflict is likely a cause for concern in Tehran. Working with Lebanese Hezbollah, PIJ, and Hamas, Iran will seek ways to saturate Israeli defenses with rockets and ballistic missiles from multiple directions.

Third, the Iranians will likely increasingly resort to offensive actions that are plausibly deniable, such as major Iranian cyber-attacks against Israeli and US assets. This is especially true if Tehran believes Israel was behind the explosion at Parchin and has begun a sabotage campaign against Iran's nuclear program.

Finally, the West will likely see greater Iranian anxiety during the final rounds of nuclear negotiations. Real concerns about Iran's worsening economic prospects and a covert military threat could help push a recalcitrant Iran toward compromise.⁴⁰ Perhaps we should even encourage those insecurities. Reiterating that military action may seriously be back on the table in the absence of a deal, or aiding in policies that keep oil prices low could reinforce Tehran's uncertain negotiating stance.

Whether Tehran would actually back away from its insistence of no reduction in its uranium enrichment capabilities or come clean on suspected nuclear weapons research is still unknown but nonetheless unlikely. Iran will almost certainly push for an extension or a new interim deal if the regime is unwilling to make sufficient compromises on these issues.

Despite these concerns, the regime appears to believe there is a good chance for an eventual comprehensive agreement, most importantly because it understands that the United States and the rest of the P5+1 eagerly want one as well. But it may not get all the way there in November.

And Iran needs an agreement. Despite its stubbornness at the negotiating table, no further sanctions relief is a very negative outcome for Tehran at this point. Hopefully, Western negotiators will understand, and take advantage of, Iran's increasing desire to achieve an agreement in these final days.

Conclusion

Iranian leadership's decision-making process—whether in facing the crises in Iraq and Gaza, nuclear negotiations, or the ISIS threat—should be interpreted in the context of the regime's five fundamental principles: preservation of the Islamic State and revolution, Iran's primacy in the Middle East, Iran's leadership of the Islamic World, and Iran's domestic economic strength and security. The fact that ISIS threatens Iran's territorial integrity helps explain some of Tehran's bending on some other tenets (such as tolerating some US and allied military action in Iraq and Syria).

But real rapprochement, rather than de-escalation with the United States, is still ideologically unacceptable for the Supreme Leader. Iran will also resist US activities that inhibit its goal of regional primacy and that could erode Iran's Resistance Network. The expansion of the US-led air campaign into Syria will test the limits of Iran's flexibility. If American airstrikes appear to be aimed at directly harming President Assad rather than just pushing back ISIS, or if new funding for moderate Syrian rebels has a positive effect on the battlefield, Iran will quickly shift to confront US policies.

What is less clear is how the crises in Iraq could affect the current nuclear negotiations. Maintaining its nuclear program is important for Iran in terms of deterrence and regional leadership. In addition, gaining full sanctions relief is essential for Iran's economic health. As critical as they are, these factors are not as urgent for Tehran as saving Iraq and Syria from being overrun by ISIS. At least theoretically, this means that the United States could use "aid in defeating ISIS" as leverage for a better deal from Iran in the nuclear talks.

Tehran's renewed focus on the West Bank and Gaza this summer is not surprising given the challenge the situation presented to Iran's religious and ideological credibility. Iran wants to be seen as the anti-Zionist leader of the Islamic world, and the direct threat posed by Israeli forces to Iran's already weakened Resistance Network in the Palestinian territories was also grating to the regime. What the Iranian regime can actually do about it remains to be seen, given the logistical and security difficulties of moving arms and people through Jordan and Egypt.

This change of focus should nonetheless prompt close monitoring by the United States and its allies. While having a strong proxy network to deter and retaliate against Israel is critical for Iran, it is not quite on the same level of importance as saving Assad, countering ISIS, or escaping nuclear sanctions. This could remain a back-burner issue for Tehran unless the military threat from Israel becomes much more pressing.

Iran's calculations throughout these crises show just how challenging Iran's strategic environment has become. They also illuminate an opportunity for the United States. Armed with better knowledge and understanding, US policymakers can anticipate and even begin to shape Iranian behavior to the benefit of regional security and stability.

About the Author

J. Matthew McInnis is a resident fellow at AEI, where he focuses on Iran, specifically on its foreign policies, intentions, decision making, strategic culture, and military power. He also works on US defense and regional security issues in the Middle East and on the effectiveness of the US intelligence community.

Before joining AEI, McInnis served for 15 years in senior leadership positions in the Defense Intelligence Agency (DIA), where he worked on Iran, Iraq, and the larger Middle East; counterproliferation; and East Asian security issues. Most notably, he was the senior expert for Iran at US Central Command from 2010 to 2013, directly advising Generals David Petraeus, John Allen, and James Mattis. In this capacity, he structured and created major initiatives within the US Department of Defense and the intelligence community to improve America's understanding of and ability to respond to Iranian military behavior and capabilities.

Previously, McInnis served as the Iran division chief and the senior intelligence officer for Iraq at the DIA. In 2006, he deployed for one year to Baghdad, where he led an analysis of the Iraqi government and security forces, Kurdish politics, Shi'a militias, and Iranian influence for the Multi-National Force–Iraq under Generals George Casey and Petraeus. He also served—at the beginning of the surge—as senior defense intelligence adviser to Lieutenant General Raymond Odierno, commanding general of Multi-National Corps Iraq.

At DIA, McInnis was staff director of the counterproliferation and Middle East offices and an analyst and program manager for the China and East Asia office.

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