

CHAPTER 1

PRINCIPLES GOVERNING STATE-SPONSORED TERRORISM

The concepts of “state-sponsored terrorism” and “state sponsor of terrorism” became integral components of the international terrorism landscape over five decades ago. State support for terrorism, whether through direct involvement or via proxies, has significantly enhanced terrorist organizations’ power and operational capabilities, without which they would struggle to sustain their effectiveness, let alone achieve their current prominence within international relations. In past decades, several states actively supported terrorist groups as proxies to further their strategic interests, notably Libya, Syria, Iraq, and at times Algeria, Sudan, the former South Yemen Republic, and Cuba. Today, Iran stands alone as the primary state intensively supporting numerous terrorist organizations from diverse ideological backgrounds, including but not limited to Shiite groups, using them to carry out its objectives and operating worldwide through its state apparatus. It even maintains terror networks executing attacks with the involvement of Iranian citizens, dual nationals, and foreign nationals. This chapter provides a theoretical foundation for analyzing how Iran employs terrorism strategically to advance its interests.

Defining Terrorism and State-Sponsored Terrorism

Given this memorandum’s narrow focus within the broad phenomenon of terrorism, we adopted Bruce Hoffman’s widely accepted definition of terrorism, encompassing five main characteristics: politically driven goals and motives; the use or threat of violence; the intention to inflict significant psychological impact beyond immediate victims; identifiable chains of command within organizations or inspired networks; and actions conducted by sub-state or non-state actors (Hoffman, 2017). However, aligning with Hoffman’s definition and the focus of this memorandum, terrorism is also

clearly employed by states directly through their agents or indirectly through supporting organizations. Thus, for our purposes, the defining characteristics of terrorism are the political nature of its motivations, the use of violence or threats thereof, and extensive psychological impact that extends beyond the immediate outcomes of attacks.

Just as terrorism can be defined in varying manners, the definition of state-sponsored terrorism similarly lacks wide consensus. Paul Wilkinson defines state-sponsored terrorism as a government's direct or indirect involvement, through formal or informal groups, in generating psychological and physical violence against political targets or other states to achieve tactical and strategic objectives (Wilkinson, 1977). Wilkinson's broad definition captures general terrorist traits as well as various forms of state involvement, directly or indirectly, through various organizations. It is noteworthy that many scholars use the term "state terrorism" to describe the use of violence by a state against its own citizens or individuals whom it is obligated to protect (Blakeley, 2010). Although such violence, notably exemplified by Iran's suppression of protests such as "Women, Life, Freedom," is significant, it lies outside the definition of terrorism or state-sponsored terrorism discussed here and will not be explored in depth.

Terrorism can serve as an additional or alternative tool to the use of military force in pursuit of a state's objectives. This scenario typically materializes when a state supports terrorist activities against another state with which it is engaged in conflict. However, terrorism may also occur between two states not formally in a state of hostility (Shay, 2001).

State Motivations for Employing and Supporting Terrorism

Various motivations drive states to employ terrorism as a means of advancing their policies. Understanding these motivations is crucial, as it enables us not only to predict when a state might resort to terrorism to further its policies, but also to identify actions that could lead states to cease their use

of terrorism. Typically, no single reason exclusively motivates states to use or support terrorism. Nevertheless, we can identify three primary categories of motivations behind state-sponsored terrorism: ideology, domestic factors, and strategic considerations. In most cases, the decision to support terrorism arises from a combination of these motivations (Byman, 2005b).

For certain states, there is no doubt that ideology—particularly an ideology aimed at reviving or promoting a political system rooted in historical or revolutionary ideals—plays a significant role in the decision to utilize terrorism, at least initially. Many states strive to export their ideology and political systems, employing terrorism and terrorist organizations as instruments to achieve this objective. Terrorist groups are often instrumentalized as proxies to realize these ideological ambitions. In such cases, states perceive terrorist organizations as a kind of vanguard force that will pave the way for establishing an Islamic state, Marxist regime, or any other revolutionary system (Byman, 2005b). For example, they might serve as vehicles through which states attempt to disseminate their political ideology abroad. A notable example is the case of Libya. After seizing power, Muammar Qaddafi supported and orchestrated terrorist activities aiming to encourage revolutions throughout the Arab world and Africa. Another example is China's support for terrorism under Mao Zedong (leader of China from 1949 to 1976), who cooperated with terrorist organizations espousing revolutionary violence as a means of exporting China's ideological influence worldwide (Byman, 2023).

Other countries support terrorism as a means of advancing domestic political agendas. This perspective is prevalent primarily among regimes that aim to internally demonstrate support for organizations promoting issues of importance to the public, thus enhancing their domestic popularity. An example of this phenomenon can be observed in the support provided by the regime of Hafez al-Assad (the leader of Syria from 1970 to 2000) to Palestinian organizations, which enabled him to showcase his commitment to the Palestinian cause and thereby gain additional support specifically

from his own citizens (Byman, 2023). Less frequently, regimes utilize terrorist organizations to act against domestic opponents (Byman, 2005b). At times, support for terrorism also serves regimes by eliminating internal political rivals or foreign enemies (Byman, 2023). Libya and Syria acted in this manner in the past, and Iran has employed this approach consistently since Ruhollah Khomeini rose to power.

Nevertheless, it is clear that strategic motivations are most prominent. Terrorism enables states to compel their rivals to invest resources and military forces in counter-terrorism measures, and it also draws international attention to their demands. Many states use terrorism as a cost-effective means of projecting power, allowing them to wield influence well beyond their borders. Thus, for many Third World countries, providing assistance to terrorist organizations can be an inexpensive and effective method of expressing their strength and acquiring influence (David, 1991). Frequently, states turn to supporting terrorist organizations when few conventional military options are available, or when they believe terrorism may effectively achieve objectives that direct military confrontation may not necessarily accomplish, such as destabilizing the political order of the target state or harming its diplomatic and economic ties with other countries (Shay, 2001; Byman, 2005b, 2023). Finally, support for terrorism theoretically provides plausible deniability, enabling states to communicate violent messages without bearing direct responsibility, and consequently, without paying a price (Schweitzer, 1986) that may outweigh the benefits. Hence, even when ideological reasons may be the initial motive for states' support for terrorist organizations, strategic considerations often gain increasing significance over the course of the relationship.

Modes of State-Sponsored Terrorism

States employ various strategies in their utilization of terrorism. The most fundamental distinction lies between terrorism carried out directly by the state, through its agents or official personnel, and terrorism indirectly supported

through state aid to terrorist organizations. Additionally, states may passively support terrorism by turning a blind eye when terrorist groups train, organize, or even plan operations from their territory. Such passive support stems from different motivations to those driving active and direct support. For example, regimes might tolerate such activities because the costs of intervention outweigh perceived benefits or because tacit support advances particular political agendas (Byman, 2005a). Indeed, different states may follow different strategies regarding their use of terrorism. Nonetheless, some countries, such as Iran, combine multiple methods simultaneously.

State terrorism can take multiple forms. The primary distinction is between direct terrorism, carried out by state agents against regime opponents, and indirect terrorism, in which states support external terrorist organizations. Iran, as discussed later in this memorandum, frequently uses state agents to conduct terrorist operations.

State sponsorship of terrorist organizations can vary in degree. At one end of the spectrum, there are cases whereby a state effectively establishes a terrorist organization to carry out its objectives. For example, as part of Libya's activities as a state sponsor of terrorism, Muammar Gaddafi personally founded a Palestinian terrorist organization called the *Arab National Youth Organization* (ANYO), which operated briefly in the early 1970s, ostensibly on behalf of the Palestinian people, and carried out several deadly terrorist attacks. Similarly, the organization *Al-Saiqa* was established by Syrian President Hafez al-Assad (Merari & Elad, 1986).

Further along the spectrum, there are states that support existing terrorist organizations to varying degrees. It is important to note that states' support for terrorist organizations can be classified according to the type of support they provide, the level of this support, and its overall scope. A state may provide limited but multifaceted support to a terrorist organization, or alternatively, offer a single form of support on a broad scale.

At the most basic level, states can provide ideological support to terrorist organizations, for example, through political, religious, or ideological indoctrination of the organization's members by state agents or institutions. This is partly because cooperation between a state and a terrorist organization is often based on some form of affinity—whether religious, ideological, or political—and sometimes also on shared interests (Shay, 2001). This is especially true in the case of revolutionary states seeking to export their ideological framework, such as the former Soviet Union with communist ideology or Iran with Khomeinist ideology. In this context, the *Popular Front for the Liberation of Palestine* (PFLP) serves as an example, having received extensive support from the former Soviet Union (Merari & Elad, 1986).

A higher level of support can be seen in financial assistance, where a state sponsor of terrorism allocates resources to a terrorist organization to sustain its operations (Ganor, 1997). For example, in the past, Libya provided financial assistance—alongside other forms of support—to a wide range of organizations, including European groups such as *ETA*, *IRA*, *FLNC*, the *Red Brigades*, *Action Directe*, the *Red Army Faction*, and the *Japanese Red Army*, as well as South American terrorist organizations and Palestinian terrorist groups (Schweitzer, 2004; Byman, 2005b).

An even higher level of support occurs when a state provides a terrorist organization not only with financial assistance but also direct military support. This type of aid may include the provision of weaponry, military training, and tactical and command-level instruction. It can also encompass training in advanced technological expertise (Schweitzer, 1986). Such assistance can have a significant impact, as terrorist recruits often lack combat experience and the necessary skills to carry out attacks. Iran, for example, has provided training to Hezbollah operatives and has even used Hezbollah members to train and instruct Palestinian terrorists and militants from other extremist organizations (Byman, 2005b). Another example is Libya, which trained Palestinian militants within its territory in preparation for attacks—such as

the *Popular Front for the Liberation of Palestine* (PFLP) operatives who carried out the *Nitzanim* attack in 1990.

An even more substantial level of state support is operational aid, involving direct assistance in executing specific terrorist operations. States can provide forged documents allowing terrorist operatives international mobility, specialized weaponry for targeted operations, and a safe haven after attacks. For instance, Iraq previously provided weapons and refuge to various anti-Iranian and anti-Turkish terrorist groups. Reports indicate that Syria supplied Hezbollah with intelligence during its attacks on American forces in Beirut in 1983 (Byman, 2005b). Another example is the direct involvement of Libyan intelligence in specific attacks by Abu Nidal's *Fatah–Revolutionary Council* organization abroad, including the hijacking of an Egypt Air aircraft in 1985, attacks on El Al airline counters in Rome and Vienna that same year, and hijacking Pan American flights to Karachi in 1986 (Merari & Elad, 1986).

The next category of state involvement in terrorism pertains to the initiation and direction of terrorist activities. This category includes cases in which a state sponsor of terrorism does not merely support a terrorist organization but actively initiates attacks, defines their objectives, and directs their execution. In some instances, state sponsors employ terrorist organizations for specific attacks that serve the state's interests. In such cases, the terrorist organization acts as a proxy for the state and a means of advancing its strategic goals (Schweitzer, 1986). An example of such an operation is the 1986 bombing of the *La Belle* nightclub in Berlin, carried out on behalf of Libya.

Alongside these forms of support, it is also important to note that states may provide diplomatic support to terrorist organizations. This type of assistance involves using the state's influence and prestige to officially endorse and promote a terrorist organization or the cause it represents. Such support can help the organization gain international legitimacy, recruit members, and secure resources. A clear example of this is the support various Arab states have provided to Palestinian terrorist organizations (Byman, 2005b).

It is crucial to recognize that when a state sponsors a terrorist organization, their relationship is dynamic and has far-reaching implications. On the one hand, state support significantly enhances the operational capabilities of terrorist organizations. On the other hand, such support can also serve as a restraining mechanism, as the sponsor state may seek to curb the terrorist group's actions to align with its own strategic interests. Additionally, a state sponsor may attempt to control the terrorist organization, sometimes leading it to support rival groups to maintain leverage (Byman, 2005b). For example, beginning in 1983, Syria supported the *Fatah* rebels led by Abu Musa, as part of its criticism of Yasser Arafat's leadership of the Palestine Liberation Organization (PLO).

Conversely, terrorist organizations that receive state sponsorship are not merely tools in the hands of their benefactors—they often pursue their own independent agendas (Byman, 2005b). For instance, while Hezbollah is frequently perceived as an instrument of the Iranian regime, independent factors also influence the organization's policies and operational conduct, making it more than just an Iranian proxy (Schweitzer et al., 2023). Similarly, while the Basque separatist group *ETA* and the Irish *IRA* received support from Libya, they pursued their own independent objectives respectively against Spain and the United Kingdom.

Changes in State Terrorism Strategy

It is noteworthy that the technological advances and evolving needs of terrorist groups have altered state strategies for supporting terrorism, arguably making them easier to implement in certain cases. As noted, one motive for choosing terrorism as a strategy is the plausible deniability it grants. Today, cyberspace provides additional potential for concealing state involvement; consequently, many states—including China, Israel, North Korea, Russia, and the United States—incorporate cyber-attacks into their (counter)terrorism strategies (Byman, 2022). Although Iran is also occasionally involved in cyber-

attacks, as stated in the introduction, this memorandum focuses on Iran's "classic" forms of terrorism; therefore, this issue will not be explored further.

Another example of strategic change stems from the evolving needs of terrorist organizations. Today, it is easier for terrorist groups to acquire explosives and weaponry independently, decreasing the value of state assistance in obtaining light weaponry weapons. However, state support remains significant for obtaining advanced systems, such as ballistic missiles (Byman, 2022). Notably, Iran provides extensive assistance to Hezbollah through funding and transferring highly advanced weaponry, typically possessed only by advanced states. Thus, Hezbollah has acquired numerous precision missiles and high-quality advanced drones, transforming it into a highly sophisticated "terror-guerrilla" army (terror and guerrilla warfare) (Schweitzer, 2009). Without Iranian support, Hezbollah, Hamas, and even Islamic Jihad would have remained lethal and effective terrorist groups but would not have achieved the military-terrorist proficiency and technological sophistication that characterize them today.

Technological advancements also facilitate terrorist organizations in recruiting operatives and supporters due to the widespread proliferation of social media and globalized communications. This is evident in the recruitment of foreign fighters by ISIS for combat in Syria, and the influx of foreign combatants into Ukraine to counter the Russian invasion (though foreign fighters also joined forces in support of Russia). Consequently, terrorist organizations have reduced their dependence on state assistance for recruiting operatives and supporters (Byman, 2022).