



PERSPECTIVES

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US Designation of Revolutionary Guards Risks Escalation

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EXECUTIVE SUMMARY: The US designation of Iran’s Revolutionary Guards as a terrorist organization, and the Iranian response, has potentially put US military personnel in the region in harm’s way. The designation increases economic pressure on Iran because the IRGC is not only an army but also a commercial conglomerate – but it remains to be seen to what degree the sanctions will affect the IRGC.

The stakes in the Middle East couldn’t be higher.

Suspicion that the US’s intent is to change the regime in Tehran rather than its officially stated goal of forcing Iran to curb its ballistic missile program and support for militias in Lebanon, Gaza and Yemen was heightened with last week’s decision to [designate the Iranian Revolutionary Guards Corps \(IRGC\) as a terrorist organization](#).

This marks the first time the US labeled a branch of a foreign government a terrorist entity, particularly one that affects millions of Iranian citizens who get conscripted into the military and for whom the IRGC is an option.

“Today’s unprecedented move to designate the IRGC as a Foreign Terrorist Organization [demonstrates our commitment to maximize pressure on the Iranian regime](#) until it ceases using terrorism as tool of statecraft,” tweeted President Trump’s national security adviser, John Bolton.

The designation effectively blocks Trump’s potential successor from returning to the 2015 international accord that curbed Iran’s nuclear program, complicates any diplomatic effort to resolve differences, and changes the rules

of engagement in theaters like Syria, where US and Iranian forces operate in close proximity to one another.

“Through this, [some US allies are seeking to ensure a US-Iran war](#) or to, at a minimum, trap them in a permanent state of enmity,” said Trita Parsi, head of the National Iranian American Council, referring to Saudi Arabia and Israel.

The designation was likely to embolden advocates in Washington, Saudi Arabia, and Israel of a more aggressive covert war against Iran that would seek to stoke unrest among the Islamic Republic’s ethnic minorities, including Baloch, Kurds, and Iranians of Arab descent.

Both Saudi Arabia and Israel were quick to applaud the US move. Israeli PM Benjamin Netanyahu, on the eve of a hard-fought election, [claimed credit for the suggestion to designate the IRGC](#). The official Saudi news agency asserted that [the decision reflects the Kingdom’s repeated demands](#) to the international community of the necessity of confronting terrorism supported by Iran.

The risk of an accident or unplanned incident spiraling out of control and leading to military confrontation was heightened by Iran’s response, which was to [declare the US military in the greater Middle East a terrorist entity](#).

The US move and the Iranian response potentially put US military personnel in the Gulf as well as elsewhere in the region in harm’s way.

The designation also ruled out potential tacit US-Iranian cooperation on the ground as occurred in Iraq in the [fight against Islamic State](#) and in [Afghanistan](#). That cooperation inevitably involved the IRGC.

Beyond geopolitical and military risks, the designation increases economic pressure on Iran because the IRGC is not only an army but [also a commercial conglomerate](#) with vast interests in construction, engineering and manufacturing.

It remains unclear, however, to what degree the sanctions will affect the IRGC, which is already heavily sanctioned and does much of its business in cash and through front companies.

US policy, even before the IRGC designation, had already raised the specter of a nuclear race in the Middle East. The designation increases the chances that Iran will walk away from the nuclear agreement.

Saudi Arabia is already putting in place the building blocks for its own nuclear program in anticipation of Iran's abandoning the agreement and returning to its full-fledged, pre-2015 enrichment project.

The IRGC goes to the heart of the Iranian regime. It was formed to protect the regime immediately after the 1979 revolution at a time when Iran's new rulers had reason to distrust the military of the toppled shah.

Some of the shah's top military and security commanders discussed crushing the revolution at a dinner on New Year's Eve 1978, some six weeks before the shah's regime fell. It was the shah's refusal to endorse their plan that foiled it. The shah feared that large-scale bloodshed would dim the chances of his exiled son ever returning to Iran as shah.

The IRGC has since developed into a key pillar of [Iran's defense strategy](#), which seeks to counter perceived covert operations by the US, Saudi Arabia, and Israel by supporting proxies across the Middle East.

This strategy has proven both effective and costly. That cost has been raised by Iran's failure to address fears that the strategy is an effort to export its revolution and topple the region's conservative regimes, particularly in the Gulf.

To be sure, the Iranian revolution constituted a serious threat to autocratic rulers. It was a popular revolt like those that occurred more than 30 years later in the Arab world. The Iranian revolt, however, toppled not only an icon of US power in the Middle East and a monarch, but also created an alternative form of Islamic governance that included a degree of popular sovereignty.

The revolution unleashed a vicious cycle that [saw Gulf states fund the eight-year Iran-Iraq war](#) in the 1980s, in which up to one million people died; Saudi Arabia wage a four-decade, \$100 billion campaign to globally propagate ultra-conservative, anti-Shiite, anti-Iranian strands of Islam; repeated attempts to stoke ethnic tensions among Iran's disgruntled minorities, and Iranian countermeasures including support for proxies across the Middle East and violent attacks against Americans, Israelis, Jews, and regime opponents around the world.

"Given that the IRGC is already sanctioned by the US Treasury, [this step is both gratuitous and provocative](#). It will also put countries such as Iraq and Lebanon in even more difficult situations as they have no alternative but to deal with the IRGC. It will strengthen calls by pro-Iran groups in Iraq to expel US troops," said Barbara Slavin, an Iran expert at the Washington's Atlantic Council.

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