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Introduction

States and terrorist groups have long had a deadly relationship. During the 1970s and 1980s, almost every important terrorist group had some ties to at least one supportive government. Iran backed the Lebanese Hizballah, India aided the Liberation Tigers of Tamil Eelam (Tamil Tigers), and the Palestine Liberation Organization (PLO) (as well as its rivals) drew on support from a host of Arab states. At times, these connections were far-flung and seemingly bizarre. Libya, for example, helped arm the Provisional Irish Republican Army (PIRA), and Damascus had links to the Japanese Red Army (JRA). The Soviet Union and several Eastern European states backed Palestinian and Western European terrorist groups, among others. East Germany's last interior minister declared that his country had become "an Eldorado for terrorists."[1]

These links between governments and terrorists have lethal consequences. Chris Quillen finds that states are at least indirectly responsible for several thousand deaths at the hands of terrorists, a staggering figure that I believe may understate the scale of the violence. More generally, Quillen finds that "state-sponsored terrorists would appear both more able and more willing to kill in large numbers" than terrorists who lack ties to states.[2]

With the end of the Cold War, one of the major sources of state sponsorship – the communist government in the Soviet Union and its

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[1] Andrew and Mitrokhin, *The Sword and the Shield*, p. 298.
[2] Quillen, "A Historical Analysis of Mass Casualty Bombers," p. 285.

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puppet regimes in Eastern Europe – ended. The severing of the link
between the US–Soviet competition and terrorism decreased the stra-
tegic importance of fighting terrorism in the eyes of many observers, as
did the decline or collapse of many Marxist groups whose credibility fell
along with the Soviet regime.[3] While the importance of terrorism grew
again in the 1990s and skyrocketed after al-Qa'ida's devastating
September 11, 2001 attacks, the focus on state sponsorship continued
to decline. Indeed, in the wake of the September 11 attacks, pundits and
policymakers alike made much of al-Qa'ida's non-state nature and
derided a focus on states as unimportant or "old think."

Such a dismissal, however, suggests a superficial understanding of
terrorism in general and of al-Qa'ida in particular. The Lebanese
Hizballah, HAMAS, and the Kashmiri Hizb-ul-Mujahedin are only a
few of the many successful terrorist groups active today that maintain
close links to states and work with them in a variety of ways to advance
their goals. Even al-Qa'ida itself relied heavily on states, first working
with the Islamist regime in Sudan and then in 1996 becoming closely
intertwined with the Taliban's Afghanistan. Investigations of the
September 11 attacks suggest that an operation of such scale and leth-
ality would have been far more difficult for al-Qa'ida to pull off had it
lacked a haven in Afghanistan.

It is more accurate to say that the dynamic between states and terrorist
groups may be changing but has become perhaps more important. With
the robust global market in small arms, access to a state's arsenal is no
longer necessary if a group wants to use violence. Nevertheless, money,
training, diplomatic support, a sanctuary, and other forms of aid are still
vital. Even al-Qa'ida's experience after being ousted from Afghanistan
suggests the importance of states. No government today openly backs
al-Qa'ida, but some governments look the other way as the group recruits
or raises money on its territory, while others try to exploit the presence of
the group on their territory to extract concessions from the United States.[4]

State sponsorship still plays a major role for many terrorist groups
today. Of the thirty-six terrorist groups designated as foreign terrorist

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[3] Tucker, "The United States Government and Counterterrorism," pp. 2–3.
[4] Iran, for example, in 2003 arrested several high-level al-Qa'ida leaders. It
appears to have offered to surrender them to US allies, but only in exchange
for several concessions from the United States.

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organizations by the Secretary of State in 2002, for example, twenty had enjoyed significant state support at one point in their history, and nine still do today.[5] These numbers exclude the important, but more difficult to assess, informal backing that states can provide by looking the other way as a terrorist group raises money, recruits, or otherwise sustains its organization from the state's territory. Terrorist groups that received these states' support flourished, becoming more deadly and less vulnerable to arrest or disruption.

States can provide a wide range of backing to radical groups. Iraq offered sanctuary and arms to anti-Iranian and anti-Turkish groups. Libya sent funds and weapons to numerous Palestinian groups, the Provisional Irish Republican Army, and other violent radical causes. Arab states consistently championed the PLO in the 1970s in international fora, even as it regularly carried out terrorist attacks as part of its struggle against Israel. As a result, the PLO enjoyed widespread diplomatic recognition.

Policymakers have recognized this convergence between states and terrorists in their rhetoric at least. In his historic speech to Congress in the wake of the September 11, 2001 attacks, President Bush declared, "Every nation, in every region, now has a decision to make. Either you are with us, or you are with the terrorists. From this day forward, any nation that continues to harbor or support terrorism will be regarded by the United States as a hostile regime."[6] This logic was used to justify the 2001 invasion of Afghanistan. Moreover, President Bush's linkage of terrorist groups and their sponsors established what many called "the Bush Doctrine." However, policymakers still are unsure how to confront

[5] By my assessment, the Abu Nidal Organization (ANO), the Basque Fatherland and Liberty (ETA), Al-Gama'a al-Islamiyya (Islamic Group), Al-Jihad (Egyptian Islamic Jihad), Armed Islamic Group, Liberation Tigers of Tamil Elam, National Liberation Army (ELN), Kurdistan Workers' Party (PKK), Mujahedin-e Khalq, al-Qa'ida, and Revolutionary Armed Forces of Columbia (FARC) all at one point enjoyed significant, deliberate, and direct state assistance but no longer do. However, HAMAS, Harakat-ul-Mujahedin, Hizballah, Jaysh-e-Muhammed, Lashkar-e-Tayyiba, Palestine Islamic Jihad, Popular Front for the Liberation of Palestine, and the Popular Front for the Liberation of Palestine–General Command still enjoy significant support. For a comprehensive review of the groups on the list, see Audrey Kurth Cronin, "Foreign Terrorist Organizations." *Congressional Research Service*, February 6, 2004.

[6] President George W. Bush, "Address to a Joint Session of Congress and the American People." Washington, DC, September 20, 2001.

sponsors like Iran, Pakistan, or Syria and how to address the complex issue of "passive" support from friendly regimes like Saudi Arabia, which at times looked the other way at terrorist activity in their country.

As this policy confusion suggests, despite the continued importance of state sponsorship, we lack tools for understanding it. The process by which the United States and other governments designate a terrorist sponsor is highly politicized, leading to poor conceptualization of the overall problem. Non-government analysts, for their part, have offered little clarity beyond government categories. Indeed, analysts have provided only limited insight into broader questions about the impact of sponsorship and the reasons it ends. By failing to recognize the many varieties of sponsorship, progress is often ignored. Sudan, for example, no longer works closely with radical groups against Western targets, but it is still lumped into the broad category of state sponsorship because it still hosts several radical Islamist groups. In addition, states may provide one form of support, such as diplomatic backing, even as they try to limit a group's military capabilities.

The question of state sponsorship in all its complexity deserves serious scholarly attention. States work with terrorist groups for a host of reasons, and the effects are often varied. Some terrorist groups become far more deadly and active, while others actually become weaker or more restrained. Understanding why and how states support terrorism will make it easier to recognize the risks state-backed groups pose to governments and citizens around the world. Better understanding can also improve efforts to coerce sponsors into halting their support, or even to turn against their former proxy – vital steps for stopping the scourge of terrorism.

This book is an attempt to offer a more nuanced and comprehensive picture of state sponsorship of terrorism. Understanding this dynamic, and designing policies to stop or reduce state support for terrorism, requires recognizing its many dimensions.

Key findings
States sponsor terrorists as their proxies for a variety of reasons. The most important is often strategic interest: terrorists offer another means for states to influence their neighbors, topple a hostile adversary regime, counter US hegemony, or achieve other aims of state. Pakistani-backed radical groups have undermined the governance of Kashmir and tied down hundreds of thousands of Indian Army forces. Iran helped disrupt

the Middle East Peace Process by backing the Lebanese Hizballah, HAMAS, and other radical groups. This influence was possible even though Iran is hundreds of kilometers from Israel and does not have the military or economic influence to otherwise affect the conflict. Support for terrorism is cheaper than developing conventional military capabilities, and it can allow states to influence events far beyond their borders.

Backing terrorists also can serve a broader range of regime objectives, including domestic and ideological ones. The Taliban gave al-Qa'ida a haven in Afghanistan out of ideological sympathy and to gain allies in their civil war against the Northern Alliance. Iraq and Iran used terrorists to kill dissidents overseas. Saudi Arabia provided aid to Palestinian radicals in an attempt to buy them off and turn their guns elsewhere. Syrian leader Hafez al-Asad also helped a range of Palestinian groups in order to demonstrate his Arab nationalist bona fides.

Whatever the motive, state support can transform a radical group. Iran helped change the Lebanese Hizballah from a disorganized and rag-tag collection of fighters to one of the most formidable guerrilla and terrorist groups in history. Libya's weapons shipment to the Provisional Irish Republican Army enabled the organization to sustain its fight against Britain at a time when arms supplies from the United States and elsewhere were disrupted. Perhaps most important, terrorists enjoying state support are far less vulnerable to their target regime's countermeasures. The victim state is less able to deal a knockout blow to the terrorist group, disrupt its logistics, discredit its cause, or otherwise defeat it.

Some groups, however, acquire new limits on their activities as a result of state support. State sponsors fear risking all-out war or other punishments and thus want their proxies to limit their attacks. Pakistan modulated the activities of various Kashmiri groups in response to US pressure and the growing danger of an all-out conflict with India. Some groups lose touch with their constituents as a result of state sponsorship, making them far less effective over time.

The relationship between states and their proxies is thus a dynamic one, and the end result often harms both the terrorist group and its cause. In general, state support almost always increases the capabilities of individual terrorist groups. However, it often forces the group to restrain its activities to accord with the interests of the sponsoring state. In addition, the sponsor often seeks to control the terrorist group and the cause it

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represents, a desire that may lead the sponsor to support competing groups or otherwise weaken the opposition to a target state as a whole.

In addition, many terrorist groups are not puppets of their sponsor, and some groups even turn against their supposed masters. This lack of loyalty is more than repaid by sponsoring governments. Sponsors are notoriously fickle: for example, Libya and Iraq both alternately supported and expelled radical Palestinian groups such as the Abu Nidal Organization.

Support for terrorism can be exceptionally difficult to stop, particularly for the most committed sponsors. Sponsors often anticipate the punishment that they may receive for backing terrorists and nevertheless choose to provide support, believing they can endure or avoid the pain. In addition, the stakes involved for the sponsoring state are often much higher than those for the victim of the terrorists. The sponsoring state may also feel it has few options for achieving its goals besides backing terrorists. Ideologically driven states are particularly hard to influence, as their goals are often resistant to standard forms of coercive pressure. The coercing state's poor understanding of the problem often compounds these difficulties.

States reduce or end their support for terrorist groups due to changes in their own goals, because of outside pressure, or (more rarely) because the terrorist group itself changes. As Iran's revolutionary ardor dimmed, so too did its support for radical groups dedicated to overthrowing regimes in the region. Other regimes have responded to outside pressure. To gain the goodwill of the United States after September 11, 2001, Pakistan put its Kashmiri proxies on a shorter leash. A combination of multilateral economic sanctions and diplomatic isolation has led Libyan leader Moammar Qaddafi to surrender the architects of the Pan Am 103 bombing over Lockerbie and to cut his ties to various terrorist groups. Palestinian leader Yasir Arafat lost the support of several hard-line Arab leaders who rejected his willingness to make concessions to Israel.

Military strikes – particularly limited ones – often backfire. The 1998 cruise missile attack on Afghanistan and the 1986 bombing of Libya both appear to have hardened these regimes' support for radicals. Israeli efforts to force neighboring states to stop sponsoring groups have met with some success, but they too have at times backfired or even escalated into all-out war. The fall of the Taliban to US-backed Afghan militia groups, of course, suggests that military force remains a necessary option

for ending state sponsorship once and for all. However, the sheer scale of the operation also indicates that it is not one to be undertaken lightly.

Definitions and their limits

The terms "terrorism" and "state sponsor" are widely used but little examined. Both terms are ideologically and morally loaded. As Brian Jenkins, a leading terrorism expert with the RAND Corporation, noted over two decades ago, "Terrorism is what the bad guys do."[7] Governments often denounce any sort of political activity as "terrorist-related," while violent groups try to brand the governments they oppose as "terrorist regimes." The concept of state sponsorship further muddies these already murky waters. US support for Israel is regularly denounced in the Arab media as a form of sponsorship of terrorism, while the United States has formally branded several governments – most of them in the Middle East – as state sponsors of terror, singling them out for economic and political punishment.

The debate about terrorism's definition or the true role of a state behind the group is often dismissed with the wave of a hand. Some critics claim that terrorism is easy for any clear-headed individual to understand, with the focus on definitions little more than an exercise for intellectuals that detracts from the horror of terrorism. Others dismiss the idea of defining terrorism as hopelessly relativistic, repeating the adage that one man's terrorist is another man's freedom fighter. Still others find any role that states may play in abetting terrorism to be illegitimate, making any nuance irrelevant.

A lack of a definition, however, creates more problems than it solves. Labeling an act as terrorism quickly becomes meaningless. Depending on the speaker, terrorism becomes a synonym for crime, for peaceful political activity, for state repression, and for other phenomena – both desirable and horrid – that are quite different in purpose, nature, and impact. Similarly, by lumping all state actions with regard to terrorism into one category, we lose the opportunity to recognize different motivations and, more importantly, to craft more effective solutions that require a nuanced understanding.

[7] Jenkins, "The Study of Terrorism," p. 3.

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This section asks two basic, but fundmental, questions: what is terrorism? And what is state sponsorship? The answers to these questions shape the empirical and analytic sections in the remainder of the book.

WHAT IS TERRORISM?

Rather than revisit the entire debate on terrorism, this book will build on one of the most carefully considered definitions of terrorism – that of Bruce Hoffman, perhaps the world's leading analyst of international terrorism. Hoffman defines terrorism as having five distinguishing characteristics: (1) "ineluctably political in aims and motives"; (2) "violent – or, equally important, threatens violence"; (3) "designed to have far-reaching psychological repercussions beyond the immediate victim or target"; (4) "conducted by an organization"; and (5) "perpetrated by a subnational group or non-state entity."[8] To Hoffman's five criteria I add a sixth: the attack deliberately targets non-combatants.

Although these criteria seem straightforward, it is important to note what is excluded. Attacks conducted for financial gain, such as violence linked to narcotics trafficking or revenge, would be excluded as non-political even if they involved political leaders. In practice, many terrorist groups finance themselves through crime and narcotics trafficking, making it difficult to disentangle a group's effort to finance itself and simple robbery. Acts perpetrated by individuals are excluded, as the definition focuses on groups. Non-violent acts such as drawing graffiti would be excluded, unless it explicitly threatened violence.

A particularly important exception for the purposes of this book is a state's use of its own intelligence, paramilitary, diplomatic, or other agents to carry out "terrorist-like" attacks. Thus, if Iranian government agents try to assassinate a dissident or blow up an embassy, this would be excluded from my definition as the actor is a state, not a terrorist group. Libya's 1986 bombing of La Belle discothèque was directly carried out by state agents, not by a non-state group,[9] and as such is excluded from my study. Many studies of state sponsored terrorism include these acts. However, this book focuses on the nexus between terrorist groups and state sponsors – the actions of the state, by itself, are essentially covert acts of war and are not necessarily part of its relationship to terrorist

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[8] Hoffman, *Inside Terrorism,* p. 43.
[9] Stanick, *El Dorado Canyon,* p. 143.

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groups. As such, traditional covert action programs, where states try to hide their hand while exerting influence, are excluded if only a state's own agents are used.

The sixth criterion I have added muddies these already dark waters but is vital nonetheless. Although "non-combatants" seems straightforward, in reality there is no widely accepted definition. For example, the United States State Department includes military personnel who are on duty but are not immediately engaged in combat as non-combatants for the purposes of terrorism.[10] Thus, al-Qa'ida's attacks on USS *Cole* that killed seventeen seamen in October 2000 and the Lebanese Hizballah's bombing of the Israeli Defense Force barracks in Tyre in 1983 that killed 141 people both qualify as terrorism, even though the targets would be legitimate if an actual state of hostilities existed. The picture is made even cloudier if policemen, intelligence agents, and other non-military personnel, who are often the point of the spear in counterterrorism, are included as non-combatants.

In truth, "non-combatant" status can be painted as a spectrum, particularly from the point of view of a terrorist group. At the upper end are obvious combatants such as soldiers, intelligence personnel, and political leaders who are directly engaged in fighting terrorists and responsible for security. Farther down but still high are government officials such as diplomats or police whose actions have a tremendous influence on counterterrorism but who themselves are not part of the immediate fray. Still farther down are other public officials whose employer makes them symbols of the state but who, themselves, are not involved in counterterrorism beyond helping provide good government. Private citizens whose jobs are linked to counterterrorism, such as arms manufacturers, are the next stop. Lowest on the list are citizens whose jobs have nothing to do with counterterrorism, such as construction workers, office administrators, or businessmen.[11]

I define non-combatants as personnel not directly involved in prosecuting war or counterterrorism operations. Thus, a soldier remains

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[10] United States Department of State, *Patterns of Global Terrorism 2003*, p. xii including footnote 1.

[11] See, for an illustrative example, Ayla Schbley, "Religious Terrorists," pp. 237–241. Schbley provides a review of Hizballah members' ranking of targets based on her interviews.

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a combatant, as would an intelligence operative. However, a police-man whose "mission" is preventing crime would be considered a non-combatant, even though he is nevertheless a symbol of the state. Also included as non-combatants are ordinary diplomats, bureaucrats, and aid workers even though their actions are indirectly vital to many counterterrorism efforts.

By my definition, the al-Qa'ida attack on USS *Cole* would *not* be terrorism. Contending such an attack is not terrorism, however, is by no means to condone it. Any group that attacks a country's soldiers would still be rightly seen as a dangerous enemy to be opposed.

WHAT IS SPONSORSHIP?

I define state sponsorship of terrorism as a government's *intentional assistance* to a terrorist group to help it use violence, bolster its political activities, or sustain the organization. Common types of assistance are detailed in Chapter 3.

The question of intention, however, is complex. Leaders of Iran and the Taliban's Afghanistan, for example, at times openly boasted of their support for terrorist groups. Other government leaders are less enthu-siastic about their regimes' ties to terrorists and often try to hide the level of support. Posing yet another wrinkle when examining intentions, the citizens of some states, such as Saudi Arabia, often support terrorist groups with little government interference. In such cases, the govern-ments may have knowingly turned a blind eye to radical activities, but this is a far cry from open support – a difference I examine in detail in Chapter 8.

A spectrum of support

The nature of state support for terrorism is every bit as confusing as the definition of terrorism itself. Although there are occasional clear cases of support, the concept of state sponsorship is plagued with inconsistencies and ambiguities. State support can range from Iran's massive program of assistance to the Lebanese Hizballah to Canada's tolerance of fundrais-ing by the Liberation Tigers of Tamil Eelam. The very concept of spon-sorship focuses on funding, training, and other visible and active forms of support. However, many states support insurgent groups that in turn use terrorism. The state's support, however, is focused on the group's guerrilla activities, not its occasional use of terrorism. Similarly, the role

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