

Hezbollah in Latin America – Implications for U.S. Homeland Security

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Testimony before the Subcommittee on Counterterrorism and Intelligence
Committee on Homeland Security
U.S. House of Representatives
Thursday, July 7, 2011

Mr. Chairman and members of the subcommittee, I want to thank you for asking me to testify today.

Since the early 1980s and with renewed vigor since 9/11, the U.S. has been concerned about the goals and actions of Hezbollah, the Shia Muslim party in Lebanon. In the context of the Global War on Terror, the organization's activities in Latin America have received increased scrutiny. In particular, the Tri-Border Area (TBA), or the relatively ungoverned region where Argentina, Brazil and Paraguay meet, is alleged to be a key node in Hezbollah's global fundraising network and may even provide a launching pad for terrorist operations. Hezbollah reportedly engages in money-laundering, counterfeiting, piracy, and narcotics trafficking in this region, and uses the area as a base for recruitment.¹

To contextualize Hezbollah's purported activities in Latin America and to assess the likelihood that the organization will use the region as a base for targeting U.S. interests, it is critical to understand the origins and evolution of the party. My testimony therefore provides background on the origins of Hezbollah during the Lebanese civil war (1975-1990) and its evolution in post-war Lebanon.

The Wartime Origins of Hezbollah

Hezbollah arose out of specific domestic and regional factors, including the historical disenfranchisement of the Shia population in Lebanon, the Iranian Revolution, and the Israeli invasion of Lebanon in 1982.

¹ See, *inter alia*: Lt. Col. Philip K. Abbott. "Terrorist Threat in the Tri-Border Area: Myth or Reality?" In *Military Review* (Sept.-Oct. 2004): 51; John L. Lombardi and David J. Sanchez, "Terrorist Financing and the Tri-Border Area of South America." In Jeanne K. Giraldo and Harold A. Trinkunas, eds. *Terrorist Financing and State Responses: A Comparative Perspective* (Stanford: Stanford University Press, 2007), pp. 231-246; Gregory F. Treverton, et al. *Film Piracy, Organized Crime, and Terrorism*. (Santa Monica, CA: Rand, 2009), pp. 75-81.

Shia Mobilization and the Historical Roots of Hezbollah

Hezbollah is a by-product of Lebanese Shia political movements that originated in the 1960s in response to the longstanding marginalization of the Shia community in domestic politics and society. Historically, the Shia had the highest poverty rates and lived in the most underdeveloped rural regions in Lebanon, notably in South Lebanon and the Bekaa. Shia marginalization was also institutionalized in Lebanon's confessional political system, which favored Maronite Christian as well as Sunni Muslim elites. Based on an unwritten agreement of 1943 and modified at the end of the civil war in 1990, the system distributes political posts by sect. The arrangement reserves the more powerful positions of President and Prime Minister for a Maronite and Sunni, respectively, while allocating the relatively weak post of Speaker of the Parliament to a Shia. Since 1990, all government posts are split evenly between Christians and Muslims, despite the fact that Christians constitute at most about 40 percent of the population and have lower birth rates and higher emigration rates than Sunnis and, especially, the Shia. Although a census has not been held since 1932, it is well known that the Shia became the single largest confessional group in Lebanon in the 1980s and remain so today. As a result of these political and economic realities, the Shia have not had influence in domestic politics commensurate to their size.

Until the 1970s, a wealthy elite dominated political representation of the Shia and generally neglected the interests of the majority of the community. The Imam Musa Al-Sadr, a charismatic Shia leader dedicated to the advancement of the community, established numerous institutions to promote the socioeconomic development of the Shia as part of his "Movement of the Deprived," which was initiated in 1974. The following year, al-Sadr's organization established a military wing, Amal, headed by Nabih Berri.² By the late 1970s and early 1980s, the Amal Movement began to factionalize. The more militant members broke off in 1981 under the leadership of the Sayyid Husayn Al-Musawi, who founded the Islamic Amal, which was later folded into Hezbollah.

The Iranian Revolution and the Creation of Hezbollah

The Iranian Revolution was a second impetus for the rise of Hezbollah. Many future leaders of Hezbollah and other Shia movements in Lebanon carried out their religious training in the same Circles of Learning (*Hawzat al-'Ilmiyyah*) in Najaf, Iraq and later in Qom, Iran. Shia clerics from Lebanon, Iran and Iraq studied, met and formed networks there. Their experiences in Iran likely influenced them to mobilize the Lebanese Shia community and to pursue an Islamic state. In the early 1980s, during the civil war, various Shia clerics were jockeying for power in Lebanon and Khomeini encouraged them to start a movement. Iran therefore sent members of its Revolutionary Guards to help with military training and began to send aid to the Lebanese Shia community, assisting in the formation of Hezbollah.

² Berri remains the head of the Shia Amal Movement, which became a political party in post-war Lebanon, and has held the post of Speaker of the Parliament continuously since 1992.

The Israeli Invasion as a Catalyst for the Emergence of Hezbollah

The Israeli invasion of Lebanon, first in 1978 and extended in 1982, was another key factor in motivating the formation of Hezbollah – and this is a point on which both Israeli and Hezbollah officials agree. From the beginning, Hezbollah presented itself as the leader of the Resistance against Israel. The Lebanese civil war, which disproportionately affected the population of South Lebanon, exacerbated the poor living conditions of the Shia. The Israeli invasion, which was concentrated in the South, provided an environment that increased the appeal of Hezbollah and especially its military operations. Hezbollah claimed credit for the Israeli withdrawal in 2000, deriving popular support from its role as the vanguard of the Resistance.

The precise origins of Hezbollah are difficult to pinpoint. Various individuals and groups, including those linked to the bombings of the U.S. Embassy and marine barracks in Lebanon in 1983 and the kidnappings of Westerners during the 1980s, are said to be precursors to Hezbollah, which did not formally exist at the time. In 1985, Hezbollah officially announced its establishment with the publication of its Open Letter. The document outlined its philosophy of “oppression,” called for the establishment of an Islamic state in Lebanon modeled after Iran’s Islamic Republic, declared its opposition to the state of Israel, and detailed other aspects of its ideological orientation.

Throughout the civil war, Hezbollah focused its activities outside of formal state structures. Its main priority was the military struggle against Israel. In the domestic arena, Hezbollah largely stayed out of sectarian battles, engaging only in armed clashes with competitors in the South and southern suburbs of Beirut, notably the Shia Amal Movement and various Leftist groups. During the war, Hezbollah also ran some social programs, especially health programs, which catered largely although not exclusively to the families of fighters “martyred” or wounded in fighting against Israel.

The Evolution of Hezbollah in the Post-War Period (1990-Present)

From 1989 to 1992, Hezbollah initiated its transition from a predominantly militant movement to greater participation in the formal institutions of the state. Three different wings of the organization were established or further consolidated in the post-war period, including the institutions of its military wing as well as those of its political party and social welfare programs.

Hezbollah as a Militant Group

Hezbollah is best known in the West as a militant organization. In the post-war period, it has retained and honed its military capabilities at the same time that it increased its participation in mainstream, non-violent politics in Lebanon.

In its capacity as an armed movement, Hezbollah concentrates its violent acts and rhetoric on Israel. It continues to present itself as the vanguard of the Resistance in Lebanon as well as a defender of the Palestinians against Israeli occupation. Hezbollah maintains a perpetual state of war against Israel and engages in periodic cross-border skirmishes with Israeli forces, most famously in recent years with the capture of two Israeli soldiers and killing of several others on July 12, 2006, which sparked the 2006 Israeli-Lebanese conflict.

Hezbollah has largely avoided the use of violence within Lebanon. An important exception occurred in May 2008, when street clashes erupted between Hezbollah and its allies, on the one hand, and groups associated with the predominantly Sunni and pro-West Future Movement and its allies, on the other hand. The decision of Hezbollah to turn its weapons “inward” hurt the credibility of the organization among many Lebanese.

Hezbollah is especially keen to differentiate itself from Sunni terrorist groups such as al-Qaeda. Major differences, both doctrinal and strategic, separate the two groups. Al-Qaeda and other Sunni extremist organizations view Shia Muslims as traitors to Islam. Furthermore, while Hezbollah has become a mainstream political party in the domestic arena, al-Qaeda is a global organization primarily aimed at perpetrating terrorist acts rather than developing ties with local populations. Notwithstanding Hezbollah’s militant wing, it would therefore be a mistake to put it in the same category as al-Qaeda and related groups.

Hezbollah as a Political Party

With the end of the civil war, the Hezbollah leadership made the strategic decision to participate in the formal political system. In the early 1990s, the organization denounced its stated goal of pursuing the establishment of an Islamic state in Lebanon and opted to field candidates in all post-war elections, including the parliamentary elections of 1992, 1996, 2000, 2005 and 2009 as well as municipal elections held in 1998, 2004 and 2010. Since 1992, Hezbollah has held seats in parliament and in 2000 its national representation exceeded that of the Amal Movement for the first time. In 2005, Hezbollah finally agreed to accept cabinet-level positions, despite the fact that its prior electoral successes had qualified it to hold ministerial posts in the past. By participating in the executive branch of government, the party could no longer depict itself as an opposition faction within the parliament.

Participation in formal political institutions provides incentives for parties to woo supporters from beyond their own religious communities and hard core supporters. The Lebanese electoral system reserves seats for representatives from different sectarian communities at the district level, but voters from all religious backgrounds vote for all candidates, irrespective of religious affiliation. This arrangement also encourages parties to forge cross-sectarian alliances in order to sweep the ballot. Thus, Hezbollah – and other parties – have formed alliances, often but not always of convenience. A 2006 accord with Michel Aoun, head of the Christian Free Patriotic Movement (FPM), established an alliance between Hezbollah and the FPM that endures to this day. Since 2000, Hezbollah has also run joint lists with the Amal Movement, thereby undercutting real competition between the two parties in national elections.

Hezbollah has had a strong showing in elections both at the local and national levels, although its coalition – the March 8th Alliance – did not win the majority of seats in the 2009 parliamentary elections. A variety of factors likely contribute to its success. First, Hezbollah derived substantial credibility from its role in compelling the Israeli withdrawal in 2000, although as time passes this source of support is declining. Second, the party has proved exceptionally adept at grassroots outreach, enabling it to forge strong linkages between its cadres and citizens. Its extensive and well-managed networks of social programs partially explain its popular appeal

Hezbollah's social welfare activities both enable the party to establish direct ties with the population in the areas where they operate and to bolster its reputation for good governance and relative lack of corruption. Even Hezbollah's harshest critics concede that the organization runs well-managed and high quality programs in the spheres of health, education, and other social sectors.

In the post-war period, and especially since the assassination of former Prime Minister Rafiq al-Hariri, Hezbollah has expanded its repertoire of political mobilization strategies to include classic non-violent forms of participation such as demonstrations and sit-ins. In December 2006, Hezbollah and its allies in the March 8th coalition withdrew their representatives from the national government and initiated a sit-in by their supporters, who camped out for seventeen-months in downtown Beirut. Officially, the March 8th leadership launched these protests to call for more posts in the government – specifically, one-third of cabinet positions, which would give the coalition veto power. Hezbollah's opposition to the Special Tribunal for Lebanon (STL), which was established to investigate the assassination of Hariri, was a key factor behind the opposition's withdrawal from the government. The Doha Agreement, brokered by the Qatari government, ended the standoff after violent clashes erupted in May 2008 between the March 14th and March 8th coalitions.

The STL continues to destabilize Lebanese politics, with Hezbollah declaring its firm opposition to the proceedings and attempting to undermine the investigation's credibility, particularly after prosecutors announced the indictments of four Hezbollah members. The issue of the STL was an important motivation for the decision by Hezbollah and its allies to force the breakdown of the government of Saad al-Hariri, the son of Rafic Hariri, in January 2011. The decision of the Druze political leader, Walid Jumblatt, to defect from the March 14th coalition enabled Hezbollah and its allies to orchestrate the breakdown of the Hariri government, thereby enabling the March 8th coalition to become the majority in parliament. In January 2011, Najib al-Miqati was nominated as the new Prime Minister and, after a delay of almost six months, he constituted a government.

Political developments since 2005 demonstrate that Hezbollah remains heavily invested in formal state institutions and resorts to a wide range of political to pursue its interests in domestic politics. The adoption of extra-electoral forms of political participation such as mass demonstrations and sit-ins is by no means unique to Hezbollah. Observers of Lebanese politics, however, are increasingly concerned about Hezbollah's stance on the STL and its implications for stability in the country. To block cooperation with the STL, Hezbollah has tried to question its legality, overturned sitting governments, and issue veiled threats to block the proceedings of the court at all costs.

Hezbollah as Social Welfare Provider

The Social Unit of Hezbollah is charged with providing social services and technical help to members, supporters, families of "martyrs" and others. The social wing of the organization incorporates multiple welfare programs. These include its construction wing (*Jihad al-Bina*) which helps people construct and rehabilitate homes, supplies water and electricity to parts of Lebanon, and runs schools, shops, hospitals, clinics, mosques, cultural and social centers, and

agricultural cooperatives. The Islamic Health Organizations runs a network of hospitals, clinics and dispensaries throughout the South, Bekaa and southern suburbs of Beirut. Hezbollah also runs several networks of schools, a microcredit agency, and a program to assist the poor and orphans, the Imam Khomeini Support Committee (*Lajnat Imdad al-Khomeini*), which is modeled after an institution in Iran.

Hezbollah's social programs largely benefit Shia Muslims, mainly because it locates its social welfare activities in predominantly Shia neighborhoods and villages. Furthermore, its most generous programs are reserved for its core members and particularly the families of militia fighters and those who have been wounded in clashes with Israel. Nonetheless, basic Hezbollah services are accessible to all who seek them, Shia and non-Shia alike.

The provision of social welfare is not unique to Hezbollah. All major sectarian political parties in Lebanon provide welfare, either directly through their own facilities or by brokering access to services supplied by the government or private providers. What appears to distinguish Hezbollah from many other parties who offer social services is the professionalism and quality of its welfare programs.

Hezbollah's Funding Sources

Hezbollah's militant and non-militant operations undoubtedly require a large budget. Obtaining reliable information on the organization's finances and funding sources is notoriously difficult, if not impossible.

Hezbollah officials emphasize the importance of charitable donations and taxes, including the obligatory Shia religious taxes of *zakat* and *khums*, which allegedly account for one-half of the operating budget of the organization's welfare programs.³ They also point to donations from wealthy businesspeople and investments in private ventures. Hezbollah representatives are more reticent about the role of Iranian funds. Estimates of Iran's contributions range from \$25-50 million⁴ to \$100-200 million,⁵ although some claim that Iranian financial support has steadily declined.⁶ Reduced support from Iran suggests a possible motive for seeking alternative, sometimes illicit sources of financing such as the activities that Hezbollah allegedly carries out in the TBA. A 2004 estimate alleged that Hezbollah's operations in the TBA generate about \$10 million annually for the organization.⁷ The Anti-Defamation League claims that Hezbollah's

³ Mona Harb. *Le Hezbollah à Beirut (1985-2005): De la Banlieue à la Ville* (Paris: IFPO-Karthala, 2010), p. 94.

⁴ Anthony Cordesman, "Iran's Support of the Hezbollah in Lebanon." (Washington, D.C.: Center for Strategic and International Studies, July 15, 2006), p. 3.

⁵ Matthew Levitt. "Hezbollah Finances: Funding the Party of God." In Jeanne K. Giraldo and Harold A. Trinkunas, eds. *Terrorist Financing and State Responses: A Comparative Perspective* (Stanford: Stanford University Press, 2007), pp. 131-151.

⁶ See Abbott, *op. cit.* and Ahmed Nizar Hamzeh. *In the Path of Hizbullah* (Syracuse, NY: Syracuse University Press, 2004), p. 63.

⁷ Julio A. Cirnio, Silvana L. Elizondo, & Geoffrey Wawro. "Latin American Security Challenges: A Collaborative Inquiry from North and South." In Paul D. Taylor, ed., *Latin America's Lawless Areas and Failed States: An Analysis of the New Threats* (Newport, RI: Naval War College Press, 2004), p. 24.

total operating budget ranges from \$200-500 million.⁸ Given the speculative nature of these estimates and their obscure sources, these figures are impossible to verify.

Is Hezbollah Likely to Target the U.S.?

Hezbollah is a militant organization because it employs violence, but its acts of violence are almost exclusively directed at Israel in what the organization and many Lebanese view as a protracted war. At present, however, there is no indication that Hezbollah aims to target the U.S. militarily. Although Hezbollah condemns the U.S. for its alliance with Israel and Middle East policy, it has not targeted the U.S. or U.S. interests with violence since the 1980s.

The reaction of Hezbollah to strong U.S. support for Israel during the 2006 Israeli-Lebanese conflict provides insight into Hezbollah's stance vis-à-vis the U.S. in the current period. During the war, the U.S. unequivocally backed Israel's right to defend itself from Hezbollah attacks and even provided military support to Israel while the conflict played out. The U.S. also rejected calls for a ceasefire in the first part of the war, claiming that a ceasefire agreement should not be brokered until certain conditions were met. In addition, the U.S. unilaterally opposed a UN Security Council proposal for an immediate ceasefire between Israel and Lebanon while the U.S. Congress passed resolutions that condemned Hezbollah and its state sponsors for provoking the war and underscored Israel's right to self-defense.⁹

During the 2006 war, many Lebanese citizens – including those who do not support Hezbollah – interpreted these official U.S. statements as favoritism of Israel at the expense of Lebanese lives and infrastructure. Hezbollah condemned the U.S. position during the war and Hassan Nasrallah, the leader of Hezbollah, stepped up the anti-American rhetoric in his speeches. In addition, during and after the war, Hezbollah and its supporters spray painted “Made in the U.S.A.” on the debris of Israeli bombs as a symbolic means of highlighting what they viewed as U.S. complicity in Israeli attacks on Lebanon. Despite this strong anti-American stance and propaganda, however, Hezbollah did not promote the targeting of U.S. interests whether within the region or elsewhere. Since 2006, the organization has remained strongly critical of American policy towards the Middle East but has not indicated its desire to target U.S. interests with military operations.

Hezbollah's disinterest in targeting the U.S. militarily stems from its political evolution in the post-war period as well as tactical calculations. As detailed above, Hezbollah is increasingly vested in Lebanese politics and has become a major party in the domestic political scene. This strategic orientation requires compromise and pragmatism, limiting the organization's propensity to deploy violence to pursue its goals. Furthermore, Hezbollah is now a far more complex organization than it was in the 1980s. It encompasses multiple interests, both within its separate organizational bodies and within its domestic constituencies. It would be a mistake to view its military, political and social wings as one seamless operation geared exclusively towards violent struggle. Indeed, credible sources claim that Hezbollah has experienced internal debates about the relative weights of its political and social programs versus its militant activities, particularly

⁸ Anti-Defamation League. “Hezbollah's International Reach” (December 7, 2004). Available at http://www.adl.org/terror/hezbollah_print.asp.

⁹ U.S. Senate Resolution 534 (July 18, 2006) and U.S House of Representatives Resolution 921 (July 20, 2006).

since the 2006 war with Israel. Hezbollah is a highly disciplined organization that does not expose internal dissension, but such factional differences are entirely plausible and, indeed, are common in any political organization, whether violent or non-violent.

Tactically, a full-scale military conflict with the U.S. would inevitably lead to big losses and would shift Hezbollah's priorities beyond its main military focus, notably its struggle against Israel. Furthermore, there is no evidence that Hezbollah aims to launch global terrorist operations, as carried out by Sunni extremist groups such as al-Qaeda. To the contrary, the organization has explicitly and repeatedly condemned the indiscriminate, large-scale acts of violence perpetrated by Sunni extremists.

With respect to the TBA, the proposition that Hezbollah intends to launch terrorist acts against the U.S. from the region are not based on conclusive evidence. Latin America is home to many Lebanese Shia migrants, but they have diverse religious and political orientations. Sympathy for Hezbollah as the leader of Resistance as well as the paying of religious taxes to Shia clerics, even those linked to Hezbollah, are not commensurate to support for or participation in terrorist acts. As detailed above, Hezbollah is a multi-faceted organization that garners popular support for diverse reasons. Many Lebanese – including opponents of Hezbollah and non-Shia Lebanese – view the organization's ongoing conflict with Israel as justified in the context of a protracted war.

Conclusion

Analysts have made two main overarching claims about the security implications of Hezbollah's activities in Latin America and, specifically, in the TBA: First, the region provides a space where Hezbollah (and other groups) conduct illicit activities that are central to their fundraising operations. Second, the region offers a geographic platform in the Americas from which Hezbollah and other groups can launch terrorist operations against the U.S., among other Western targets.

Regarding the first claim, I do not have sufficient independent information to confirm or deny the nature or extent of Hezbollah's activities in the TBA. The information cited in published sources on Hezbollah's budget structure, including the funds it allegedly derives from illicit activities in the TBA, is largely speculative.

On the second claim, the notion that Hezbollah intends to launch terrorist operations against U.S. interests, particularly in the Western Hemisphere, seems implausible at this juncture. Since the 1980s, Hezbollah has evolved into a mainstream actor in Lebanese politics and has opted to participate in the formal institutions of the state. As a result, the party has become more pragmatic and far more willing to make compromises than in the past. Hezbollah remains committed to its struggle against Israel, but confrontation with the U.S. is a much riskier venture and is well beyond the scope of its domestic and regional priorities.