

Principals and Agents: Syria and the Dilemma of Its Armed Group Allies

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The recent wave of domestic revolts moving east from the Maghreb to engulf the Levant and the Arab peninsula in the past few months is sparing few Arab states. The long-standing Ba'thist regime of the al-Assad family in Syria is no exception. As the initially isolated protests in the southern town of Dara'a spread throughout the country within weeks, the al-Assad regime faces the most significant challenge to its rule since the 1980s. While the world watches as Arab populations struggle with their

governments either violently (even to the point of civil war in Libya) or nonviolently, an analysis of the effect of such uprisings on the region's powerful armed groups is largely missing. As a long-standing supporter and ally of regional armed groups, the case of the Syrian revolts adds an extra dynamic to regional security concerns.

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engagement with the Israeli Defense Forces (IDF) from July 12 through August 14, in 2006, is a stark example of the new realities states face from non-state armed groups.² Hizbollah not only survived its direct confrontation with the IDF, but it has grown even stronger in the five years since the 2006 war.

In contrast to the majority of the other Arab states that view non-state actors as potentially destabilizing forces at the domestic and regional levels,³ Syria has provided tactical, strategic, and material support not only to Hizbollah but also to other non-state armed groups, such as Hamas and Palestinian Islamic Jihad for decades. Such alliances are convenient, as Syria and its armed group allies have a common interest in forcing a strategic Israeli retreat in the region and have relatively few other options for power aggregation. In the case of Syria, this reality is highlighted by its virtual total reliance on non-state armed groups in its regional balancing efforts since the succession of Bashar al-Assad in 2000.

In the same time period, both Hizbollah and Hamas have faced major engagements with the Israeli Defense Forces (Hamas' coming about a year and a half later than Hizbollah's from December 27, 2008, to January 18, 2009). Syria, along with its ally Iran, has been quick to reward them for their increasingly brazen use of force against Israel. Though estimates vary, Syria and Iran have quadrupled Hizbollah's rocket arsenal after it was nearly exhausted in the 2006 war.⁴ In the two years since the ceasefire with the IDF, Hamas's strategic arsenal is also reportedly reaching even higher levels than it had before the engagement.⁵

Yet, the growing capabilities of its armed group agents may prove to be a double-edged sword for patron states such as Syria, as well as a significant long-term challenge for all regional states. In the past decade, Syria has come to depend on the capabilities of its armed group agents in its regional security policies as its ability to project force declines, raising legitimate questions about the relative balance of power in the alliance.⁶ No matter what direction they take in the coming months and years, Middle Eastern states will have to calculate non-state armed groups into the pursuit of their regional security interests.

Why do states align with external armed groups, and what are the mechanisms that they can use to align the interests and actions of the armed group with their own? Understanding the answers to such questions is in the interests of not only international relations theorists, but policy-makers as well. While some claim ideology as a primary driver behind the protracted nature of state support of armed groups in the Middle East, there are clear arguments for the expediency of such alignments instead.⁷

The Syrian case is a key case study for such an argument as it has had a large hand in shaping the role of armed groups in the region for decades. In theory, the delegation of force from a state to a non-state actor provides two clear important benefits: cost reduction and plausible deniability. Yet, an examination of the history of Syrian alignment with regional armed groups in pursuit of Levantine security policy calls that assumption into question.

Allying with armed groups as a means of achieving regional security interests, however, poses a principal-agent dilemma. While principal-agent theory is primarily a micro-economic theory involving the study of how

principals (employers) can align the interests of their agents (employees) with their own to achieve desired objectives, the theory can be applied well to bargaining dynamics between units at the international level. A key difference, however, is the nature of the contractual relationship. While the hire of an employee within a firm is consid-

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ered legitimate within the norms of business practice, state alignment with armed groups is clearly considered illegitimate, both de facto and de jure, in terms of the norms of international relations.

Principal-agent theory states that principals must design ways to overcome the inevitable challenges of moral hazard⁸ and conflict of interests when hiring an agent to act on its behalf. Limited control mechanisms (a.k.a., "carrots and sticks") may be employed to do so, including instrumental monitoring, sanctions, or outcome-based bonuses. The inevitable dilemma that arises in the case of an "illegitimate" contract—like the one firmed up between Syria and its armed group agents—is the reduction in one or both of the two stated benefits (i.e., an increase in cost, or a reduction in plausible deniability). In general, an application of principal-agent theory to state alignment with armed groups would suggest that states will favor carrots (performance-based compensation) over sticks (instrumental control and sanctions for suboptimal performance) as they will seek to minimize exposing their connection to their agents while maximizing the potential force they can extract from them.

As the Syrian case will demonstrate, however, theory and practice do not always mix well. While the theoretical consequences of Syria's high-level exposure to its agents are grave, in practice Syria has drawn substantial benefit from the relationship as the agents have become its principal active method of force projection. By understanding the means by which Syria is

able to monitor and induce its agents to do its regional security bidding, principal-agent theory can help reveal the potential hazards, and therefore vulnerabilities, of state-armed group alliances.

Clearly, some principal-agent relationships are stronger than others, and the ties that bind some are not the same as those that unite others. Still, in the majority of cases, alliance and principal-agent theories would seem to make a realist—rather than ideological—argument for state sponsor of armed group agents, as the expedient benefits of delegation undergird the short- and long-term security concerns of both the principal and the agent.

This paper will seek to highlight the existing political science literature incorporating principal-agent theory, and will then discuss the reasons for delegation and the logical benefits and potential costs behind a state-armed group alliance. It will then attempt to incorporate the relevant history of

...while Syria may have kept a greater distance from its agents in the past, the new regime seems clearly to have taken them on as partners in its Levantine security policy, apparently understanding the benefits of such an alliance to outweigh the costs. Syrian force delegation focusing on the critical juncture of Bashar al-Assad's assumption of power upon his father's death in July 2000.

The first term of Bashar al-Assad's presidency (2000-2007) illustrates well the principal-agent dilemma between Syria and its armed group agents due to the dramatic shifts in regional dynamics during that time frame. First, Hizbollah and Hamas ascended rapidly to become political players; and second, young president al-Assad⁹ transitioned into power in Damascus. Such radical

shifts in power dynamics challenge the understanding of which ally plays principal (and thus which plays agent) in the Syria-Hizbollah-Hamas axis. Further, while Syria may have kept a greater distance from its agents in the past, the new regime seems clearly to have taken them on as partners in its Levantine security policy, apparently understanding the benefits of such an alliance to outweigh the costs.

DEFINING THREATS AND ALIGNMENT POLICIES

If and when a state decides to ally itself with an armed group (or other sub-state actor) as an integral component of its national security policy, clear dilemmas arise. For example: the alignment of interests, the maintenance of an appropriate distance from the group's use of force against

common enemies, etc. Syrian integration of non-state armed groups into its regional security policy has a long history. The degree to which Syria has been able to increase the capabilities of these groups and put them into the service of its regional security policy has always been a challenge. In an effort to frame an understanding of Syria's ability to buy political leverage and force projection off of groups such as Hizbollah and Hamas, two theories in particular seem to offer an appropriate basis for understanding such a dilemma: alliance theory and principal-agent theory.

Generally speaking, international relations theorists posit that states are incapable of aggregating the necessary capabilities at the domestic level to balance against threats. ¹⁰ As such, they must often seek external assistance—usually in the form of international alliances.

This dilemma is particularly acute among weaker powers in the developing world where the lack of a strong state identity (or *stateness*) often makes domestic threats to stability as serious as or more serious than external dangers. ¹¹ Such an environment embeds the state in a two-level game wherein it must choose a trade-off between domestic resource mobilization and external alliances in the face of threat.

Such a challenge is made more acute as developing states are often hindered by not only ineffective means for domestic resource mobilization but also a paucity of resources in general. As such, weak-state regimes will weigh their level of domestic threat and capacity for domestic resource mobilization when deciding how to respond to an external threat. In the case of Middle Eastern states, the two-level game in many ways depends on each state's particular depth of resources but also on its degree of *stateness*—that is, as these states have trended away from regional, pan-Arab interests, they have moved toward normalized territorial expressions seeking their individual interests. Is

In the case of Syria, there is a dual dilemma. The country possesses few domestic resources; its oil reserves are scarce, and the government has traditionally depended upon strategic rent from the Arab Gulf states for its role as the frontline of resistance against Israel and dominance of Lebanon as a release-valve for its relatively barren economy. At the ideational level, it could be argued that Syrian state identity and the strength of the state as a stand-alone regional entity shifted dramatically from one of the region's least stable to its most stable with the ascendancy of Hafez al-Assad.

Under the direction of Hafez al-Assad, despite rhetoric of adhering to the pan-Arab model, Syria demonstrated a clear trend away from regional, pan-Arab interests and toward the preeminence of Syrian state interests from 1973 to the present. In his efforts to build Syrian military capacity in the face of Israeli strength, al-Assad was seeking to protect Syrian interests first, and perhaps regional Arab interests a distant second. For al-Assad, In fact, Syrian Levantine security doctrine came to direct blows with Menacham Begin's "Greater Israel" policy in the deadly confrontation in the south of Lebanon in June 1982. Al-Assad the elder set his forces against Israel's in Lebanon only a few months after facing a brutal domestic insurgency from the Muslim Brotherhood, and with the allied help of the decidedly non-Arab state of Iran.

Al-Assad had always maintained that the focus of the Syrian Ba'th party should in fact be the recapture of territories lost in the 1967 war. ¹⁶ A primary pillar of his domestic support came from his continued defiance of Israel via the continued build-up of Syrian military strength and support of the Palestinian groups—particularly in the wake of the perceived Syrian successes of the 1973 war with Israel. ¹⁷ After successive defeats at the hands of the Israeli army, however, and the prospect of declining support from his long-time Soviet patrons, al-Assad realized that Syrian relative strength in the face of Israel was declining. As a means of countering Israeli dominance, al-Assad chose an asymmetrical approach through the incorporation of armed groups and a more robust domestic weapons of mass destruction program into Syrian regional security policy. ¹⁸

GUNS FOR HIRE

There is a tendency in the literature on alliances to view alliance structures only by the measure of security they guarantee, rather than by the measure of potential power they lend at the military or economic levels. ¹⁹ While not to the same degree as states, alliances with armed groups offer both benefits and drawbacks. In an unbalanced neighborhood like the Middle East, power distribution clearly favors Israeli and other U.S.-

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backed regional states like Saudi Arabia and Turkey. States seeking to balance against Israel and/or other U.S. interests in the region are left with a paucity of choices for power aggregation. Yet, even in regions whose states possess a wider array of balancing options (such as in South Asia, with India or

Pakistan), armed groups still offer benefits as allies.

Alliances with armed groups offer the potential of outsourcing the use of force, and to do so rather cheaply. Armed groups such as Hizbollah

and Hamas have been able to deploy their arsenal of short-range rockets rather effectively, and their use of force allows their patron state the ability to avoid the damaging retaliatory strikes to their infrastructure as the battle space is, more often than not, located outside of their territory. Further, they offer the added benefit of plausible deniability. In the instance a state does not wish to incur the potential pain of a direct confrontation with another state, it may delegate the use of force to armed groups, thus breaking the linkage to direct responsibility. For example, after successive military defeats at the hands of the IDF from 1967 to 1973 and into the Lebanese civil war in the 1980s, Syria learned that conventional conflict with Israel holds little potential benefit but a guaranteed high cost. As such, a cheap and plausibly deniable means to maintain its balancing position against Israel—such as that offered by a Hizbollah-led attack—would seem to be an attractive option.

But there are also potential pitfalls to such alliances; clearly, aligning with armed groups goes against accepted international norms.²⁰ Highprofile sponsorship of such groups can earn the state partner in the alliance the undesirable designation of "rogue" status, which can lead to punishing sanctions regimes at the regional and global levels that can undermine the state economically, militarily, and socially. Such is the case with Syria, and several other states (for example Iran, Sudan, and Cuba), which are currently under international sanctions for their ties to terrorist organizations.²¹

Still, governments may be inclined to run such risks if they estimate that the cost-benefit analysis tilts in their favor. Choosing and managing such allied agents, however, poses a particular problem. How can a state manage to align the interests of a non-state armed group with its own in the pursuit of its regional security policy—especially when the risks of the exposure of that relationship may drastically undercut its proposed benefits? Principal-agent theory provides a useful tool for understanding such a dilemma.

DEFINING PRINCIPALS AND AGENTS

While principally a microeconomic theory of firm management, principal-agent theory has gained traction in political science in recent years. The political science literature on principal-agent theory focuses mainly on intrastate policy processes, however,²² largely neglecting the concept of delegating force to external armed groups by states.²³

As with many fields of scientific inquiry, the initial assumptions of

principal-agent theory hold that individuals are rational and inherently self-interested. Much like states in Kenneth Waltz's theory of international politics, principal-agent theory assumes that individuals will also seek to maximize their own security and prosperity (i.e., power, reputation, wealth, etc).²⁴ Though ideally the agent will perform exactly as the principal were it in the same position, the above condition makes such a reality essentially impossible.

As such, principal-agent theory revolves around designing incentives and structure to the principal-agent relationship to increase efficiencies, i.e., to align the interests and actions of the agent to garner the most efficiency and productivity in the pursuit of the principal's interests. Given the above assumption that agents will inherently behave with a degree of self-interestedness, the danger exists that the agent will take advantage of the principal via underperformance or even fraudulent behavior. In an instance where the principal is not as well informed as the agent (information asymmetry), the output of the agent cannot necessarily be tied to inputs or efforts, leading to a degree of uncertainty in any principal-agent relationship.²⁵

Put more simply, in any principal-agent relationship, agency loss inevitably occurs, given that principals and agents almost always receive

...in any principal-agent relationship, agency loss inevitably occurs, given that principals and agents almost always receive different information about the task at hand. different information about the task at hand. The degree to which that information diverges can lead to a disparity in preferences, as well as to imbalances of the relationship's power balance. Such dynamics inevitably lead the transaction to deviate from its expected course. Further, given that the agent will always have more information about its intentions than the principal (due to the impossibility of complete monitoring) and that in the real world

two parties' interests will never actually align perfectly, the agent has an incentive to act inappropriately.

The potential for agent misbehavior is referred to as moral hazard. Moral hazard can essentially take two forms: moral hazard with hidden action (when the principal is unable to judge the agent's effort level); and, moral hazard with hidden information (wherein the agent obtains better information than the principal which it then uses for its own purposes). In both instances, the agent has an incentive to underperform, or to shirk

in its duties. When applying principal-agent theory to alliances between states and armed groups, the asymmetrical and illicit nature of the relationship seems to be the essential areas for analysis.

Given the above understanding of principal-agent relationships, in the case of a state like Syria and its armed group regional allies, there are clear levels of asymmetry. The most evident is the unit-level disparity. States enjoy specific rights in the international system, the most important of which is sovereignty—the very modern notion that states are the highest authority in a given territorially-defined area, and are thus empowered to engage in foreign policy, make treaties, and use brute force (legitimately) in the defense of these sovereign attributes.

Armed groups do not enjoy such privileges. While there may be an argument for the de facto sovereignty of armed groups within the territory of a failed state, as they are able to hold and defend territory (as in the case of Hizbollah in Lebanon, Hamas in the Gaza Strip, and the Taliban in the FATA regions of Pakistan), such groups do not enjoy the de jure sovereignty benefits of a state.²⁶ As such, the use of violence by armed groups is viewed as illegal by the standards of international norms.

It is clear, therefore, that only a very well managed alliance with armed groups will bring the benefits of cost-reduction, plausible deniability, and, as discussed above with alliances, external power aggregation. Still, such an alliance structure is a double-edged sword. The state that seeks to align with an armed group in order to bolster its regional security policies runs the risk of nullifying any potential benefits the instant it loses control of or mismanages relationship. The example of the Taliban's decision to align with and provide sanctuary to al-Qaeda when it was the governing authority in Afghanistan is a stark example of such mismanagement: the Taliban bore the brunt of the allied response to al-Qaeda's 9/11 attacks on the United States, which effectively knocked it from power, while al-Qaeda has regrouped in other countries more easily.

The Syrian example yet again proves to be an interesting case. The country has handled its alliances with the armed groups operating along the Israeli border to the extent that, though burdened by U.S.-imposed sanctions and under constant threat from Israel, it has been able to manage their growth and maintain them as an effective and powerful component of its efforts to balance against Israel. Still, despite Syria's successes, the problems inherent to such an asymmetrical alliance structure have indeed emerged.

THE PROBLEMS OF ASYMMETRICAL ALLIANCE STRUCTURES

Independent actors may share strategic interests, but they are not likely to have *identical* interests. While this does not inhibit their desire to cooperate, it does affect their ability to do so. At its most basic, cooperation exists between two or more entities because there is some measure of benefit to each side, essentially making it a positive-sum interaction. As indicated above, there are various reasons why a state seeks an external alliance structure: (a) to balance against power or threat, or (b) if internal balancing is too costly due to resource scarcity, mobilization problems, or if such action would threaten the regime in place.

Yet, a clear problem of cooperation, often overlooked in the liberal argument, is that, as allies near the accomplishment of their task, the relative utility of the alliance declines. Two potential outcomes crop up from such logical reasoning. The first is that as the alliance nears completion of its original task, it will redefine its core structure and mission, i.e., NATO's attempts in recent years to widen the scope of its core operations beyond Europe. The second is that the weaker allied parties will either shirk in their duties or seek other means to protract the duration of the alliance structure. The inherent logic to shirking in the second outcome is that, when a partner finds an alliance profitable, they will underperform to prevent its expiration.²⁷

Though performance levels are difficult to gauge, there is a clear benefit for armed groups to seek to protract their alliance structure with a state. The most glaring has to do with the nature of their existence. As armed groups are considered to be potential threats to states in a state-ordered, or Westphalian, international system, it is difficult for them to survive in such a hostile environment without the assistance of another state (for such necessary resources as money, arms, and sanctuary).

The justification for Hizbollah's armed resistance in the wake of Israeli withdrawal from southern Lebanon, for example, is a weak one. Yet, Hizbollah defends its need for continued armed resistance against Israel due to the somewhat dubious claim over the Shebaa Farms (an area in the north Golan Heights, measuring only about 8 sq mi), the ownership of which is Syrian, though Syria continues to support its Hizbollah allies by backing Lebanese claims to the territory. In reality, a loss of its ability to claim continued Israeli occupation of Lebanese lands would, theoretically, jeopardize Hizbollah's ability to seek such generous funding from both Syria and Iran. It is not clear, however, that this would be the end to the Syria-Iran-Hizbollah axis since all sides, particularly the states, draw precious benefit from the alliance as both Syria and Iran are able to garner significant power projection benefits.

DELEGATION

Still, in light of risks highlighted above, there are clear reasons for states to delegate tasks to external armed group agents. The first would be that the agent has a degree of specialization that the principal does not have. A salient example of this would be asymmetrical warfare tactics; states are usually more effective at the projection of brute force, while armed groups usually grow to strength by their ability to hone their skills in insurgent tactics. In such an instance, the logic of comparative advantage would clearly lead a state to choose an armed group agent. Examples of this abound; particularly relevant to this study are the examples of the increasing effectiveness of Hizbollah and Hamas at hybrid warfare in southern Lebanon and the Occupied Territories, respectively. Though Pakistani support of the Taliban operating in Afghanistan as well as various Kashmiri groups in the disputed regions of Kashmir, Indian support for the LTTE in Sri Lanka, and Iranian support for various insurgent groups in Iraq are also instructive.

The second is the added capabilities that such delegation would bring to bear upon the principal's commitments and credibility. Not only would such added capabilities increase the state's available force capacity, but it would also bolster the perception of the state's will to achieve its objectives. A closely related third possible reason for delegation is the principal's attempts to balance against its own potential to decline in relative power, while still maintaining a commitment to its primary objective. As stated above, in light of Syria's relative decline after its failure to reach strategic parity with Israel from 1970 to 1990, and the subsequent loss of Syria's patron state, the Soviet Union, Hafez al-Assad likely recognized the continuation of Syria's relative decline in the region. A calculated effort to bolster the strength of the armed groups operating along Israel's border was a key means of continuing Syria's Levantine security policy of resistance. As Syria holds to the idea of the return of the Golan Heights, adding armed groups to Syrian balancing efforts allowed for the continuation of this effort.

The fourth reason, and potentially the most important, is plausible deniability. Though this concept has already been stated, it bears repeating. As Syria is loath to enter into direct confrontation with Israel, support for an armed group clouds the connection to the supporting state and therefore makes direct retaliation by Israel against Syria harder to justify.

Yet, principal-agent theory states that the alignment of the interests of the agent with that of the principal is the primary challenge in any sort of delegation. To overcome the risks and to reap the benefits of such a cooperative agreement in a state-armed group alliance, a state must find the appropriate control mechanisms. The illegal nature of the relationship would indicate that states would trend toward compensation mechanisms in the aftermath of successful operations as increased attempts at direct control of the agent would tread upon the benefit of plausible deniability, and therefore establish the potentially costly link between the armed group and its state patron.

CONTROL MECHANISMS

An ideal bargain for the state sponsor would be the convergence of the interests of the armed group to the point where the armed group would behave exactly as the state were the state in its position. As stated above, such a reality is theoretically and practically impossible, and therefore a state (acting as the principal) will likely seek a balance of control mechanisms (carrots and sticks) of its armed group agents. In practice, control mechanisms will likely take on one or more of several available options, each with its own potential costs and benefits.

One method of control is direct monitoring of the armed group. Syria has two principal means of direct monitoring of its armed group agents. One is through the active implantation of *istikhbarat* agents in Southern Lebanon and in the Occupied Territories, and the other is through the

maintenance of the headquarters of the armed groups in Damascus.

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Another means of control is the development of multiple agents. Cultivating multiple agents will allow not only for a diverse portfolio of options for potential operations, and even potential flexible response in the instance of being attacked, but it also would likely promote a sort of competition among the groups as they would seek to augment their share of the state's support. Hafez al-Assad mastered the ability to play multiple Palestinian

armed groups off of themselves as they vied for Syrian support throughout his tenure.²⁹

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than not have access to greater resources, their support is existential for the armed group agents. States can use the flow of such resources as a means of either punishing or rewarding the results of their armed group agent's actions. Such control can converge the preferences of the armed group to the state's as the group will seek to optimize its performance as a means of garnering greater resources. Again, in the example of Syria, Hafez al-Assad was able to determine the growth of specific Palestinian armed groups in the 1970s and 1980s, even to the extent of either removing or imprisoning armed group leaders in the event of bad behavior.³⁰

The consequences of a lack of control are many. One would be the growth of the armed group that would foster a sense of independence, and it might therefore potentially use force recklessly. The reckless use of force by an armed group could lead to escalation dangers that the patron state is not ready or willing to accept. This was the case in the earlier years of Syrian sponsorship of the Palestinian groups seeking conflict with Israel in the 1960s. It was likely pressure from Fatah that drew Syria into the 1967 war with Israel, which had drastic consequences not only for Syria, but for the entire region as well.³¹

A strong group would also be more difficult to sever ties with in the event the state seeks to terminate its relationship with its armed group agent.

Syria's active supported of Hizbollah, Hamas, and Palestinian Islamic Jihad in its struggle to reclaim the Golan Heights is an example. The return of the Golan to Syria would remove the key pillar of its resistance rhetoric to Israel; yet, such an accomplishment would not fulfill the objectives of the well-armed, active armed groups that Syria was supporting. In the event of Syrian withdrawal from active resis-

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tance against Israel and therefore its support of the existing armed groups, there is the possibility that spiteful groups would turn their guns on their former sponsor.

Yet another hurdle in this instance would be the degree of popular domestic support in Syria for such armed groups who are seen as a successful means of Arab resistance against Israel. Galvanizing popular support for Syria's backing of resisting armed groups has become a particularly important pillar of legitimacy for Bashar al-Assad's regime.³²

SYRIAN FORCE DELEGATION

In the case of Syria, delegation to multiple armed groups in its regional security policy makes sense. Syrian regional power has been in strategic retreat in the region for decades, the obvious signs of which are the steady regressions in the Syrian state's ability to project force regionally. The trajectory is rather clear: from direct confrontation with Israel during the two major conventional confrontations between 1967 to 1973; to the limited engagement with IDF forces in Lebanon during the Lebanese civil war in the early 1980s; and, finally, to the recent Israeli and U.S. incursions upon Syrian sovereignty in 2007 and 2008, respectively.

Curiously, this time period also coincides with the solidification of the Syrian state. Prior to the ascendancy of Hafez al-Assad in 1970, Syria was one of the region's weakest states at both the internal and external levels. Since winning independence from France in 1946, it was not long before Syria found itself thrown into a war for which it was horribly unprepared with the nascent state of Israel, beginning the ongoing regional struggle between Syrian and Israeli Levantine security policies. The immediate decade and a half post-defeat witnessed innumerable failed as well successful military coups against the state, thus earning the 1950s the moniker of the "General's Decade." Syria even voluntarily surrendered its sovereignty to align with Egypt in the failed pan-Arab project of the United Arab Republic (1958-1961).

Yet, in the years following the coup of Hafez al-Assad in 1970, Syria shifted from a regional weak state to moderately capable regional power.³⁵ With the Corrective Movement, Hafez al-Assad sought to grow Syrian strength to reach strategic parity with Israel at the level of regional force projection.³⁶ In the process, al-Assad realized that such a policy was unobtainable and that he needed to grow his asymmetrical means of balancing against Israel, particularly his domestic WMD program and the strategic alliance with regional armed groups, essentially moving from attempting a balance of power with Israel to settling for a balance of fear. While support for Palestinian armed resistance groups had been an integral part of Syrian regional security doctrine long before the advent of Hafez al-Assad, the nature of the relationship changed abruptly under his presidency.

In much the same way Hafez al-Assad was able to transform Syria from a weak and volatile state at the domestic and regional levels, so was he able to transform the nature of the principal-agent relationship that Syria had with its armed groups. Armed groups were able to manipulate the Syrian leadership to high degrees in the 1960s, even, as mentioned above,

to the point of potentially drawing it into war with Israel in 1967 for fear of the potential domestic consequences were it to not defend the nascent Fatah from Israeli aggression. Hafez al-Assad was able to grow Syrian state power enough to complete a role reversal in this relationship, supplanting the de facto and de jure weaker armed groups to Syrian will, particularly after the conquest of Lebanon in the Syrian military incursion and subsequent military domination of the state beginning in 1976. In effect, Syria asserted its role as the unquestioned principal asserting control over its agents.³⁷

The acquisition of territory in the operating space of many of the Palestinian and Lebanese armed groups was a crucial element to this development. Syrian presence was later authorized by the Ta'if Accords of 1989 at the end of the 1975-1990 Lebanese civil war. Syrian military presence was sanctioned by the Arab league and defended by the government in Beirut as necessary, legal, and temporary.³⁸ With such control, Hafez al-Assad was able to disarm specific groups operating in the area that were not in line with Syrian interests in the region, and bolster the strength of those agents it figured amendable to Syrian interests.³⁹

Hafez al-Assad worked actively to keep Syrian management of its armed group allies vague. He kept individual leaders at arm's length. He sought to play different groups off of each other. He actively thwarted the aspirations of several Palestinian groups because he saw them as potentially

straying from Syrian interests, and he penalized bad behavior. In southern Lebanon, Hafez al-Assad was able to grow Syrian intelligence structures and develop an intricate system of surveillance of not only group activities, but also of individual members and families.

In the Hizbollah example, Hafez al-Assad was willing to spare the group in its internecine conflict with Syria's primary ally at the time, Amal, but he was not willing to sanction the growth and diversification of the group's role as he squashed its attempts to garner

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political power in Beirut in the aftermath of Israel's Operation Grapes of Wrath in 1996.⁴⁰ Further, Hafez permitted Syria to act more as a funnel for the arms shipments coming from Iran, rather than taking on the role of an

active arms provider, a function that allowed him to monitor the size and scope of arms shipments.

When Hafez al-Assad died in 2000, power in Damascus shifted only marginally in the Ba'th party, which soon elected Hafez's son Bashar to the presidency. With the nominal change in leadership in Damascus, however, came a dramatic shift in Syria's alliance structure with the region's armed groups. The example of the evolving role of Hizbollah in Syrian Levantine security policy is the most prominent.

Bashar al-Assad shifted the standing of Hizbollah's role in Syrian regional security doctrine almost immediately. In many ways, the shift could be viewed as upgrading the status of the group from vassal to principal ally. Bashar al-Assad immediately assumed a personal relationship with Hassan Nasrallah.⁴¹ The new Syrian president also coupled Syrian strategic support for Iranian arms delivery to the organization with a notable increase in Syrian direct weapons supply to the group.⁴²

While Syria may have appeared to have lost a vital asset in its control mechanism of Hizbollah when it was pressured to evacuate its troops from Lebanon in 2005 after the assassination of Rafik Hariri, ending almost 29 years in the country, the robust effort made by Bashar al-Assad to grow Syrian intelligence in Lebanon questions the diminution of Syrian control over the country, and subsequently the group's activities suggest otherwise. In the same time period, however, the repercussions for Syrian alliance with Hizbollah have grown in the wake of the more robust sanctions put upon the state in 2004 by the United States and, to a lesser degree, the international community. Still, as a former World Banker and prominent Syrian economist Nabil Sukkar noted in an interview, U.S.-imposed sanctions on the country certainly are a "nuisance," but they are far from crippling. In fact, the Syrian economy has done relatively well under the sanctions regime as a result of domestic reform by Bashar al-Assad coupled with increased Iranian investment.

The robust shift in performance-based bonuses of Syrian armed group allies is highlighted by the regime's bolstering of the group's arms caches in the wake of their direct confrontations with the IDF. Hizbollah, in particular, demonstrated a marked increase in its ability to project force in battle. The increase in force capacity is highlighted well by the decade from 1996-2006.

For two weeks from April 11, 1996, when the IDF launched Operation Grapes of Wrath in southern Lebanon, Hizbollah's Resistance forces managed to launch approximately 55, mainly short-range, 122-mm Katyusha rockets per day, with a total of 777 recorded fired at Israeli targets

over the duration of the campaign.⁴⁶ The campaign severely depleted Hizbollah's stocks. Yet, in the run-up to the 2006 Lebanon War, Hizbollah was estimated to have somewhere between 10,000 to 14,000 rockets with varying ranges and destructive capacity, indicating a massive replenishment of their arsenal—presumably via their Syrian and Iranian suppliers.⁴⁷

During the campaign, Hizbollah's Resistance forces fired an estimated 4,000 rockets during the month-long engagement, averaging around 130 per day. The 220-rocket salvo on the final day of the campaign put a fine point on Hizbollah's decade-long successful force development strategy. Again, though Hizbollah was weakened, it was well rewarded for its relatively successful use of force against the IDF. In 2010, Israeli Defense Minister estimated that Hizbollah's rocket arsenal was in excess of 40,000, including rockets with far greater ranges and force potential than prior to the 2006 war.⁴⁸

Hizbollah's month-long campaign against the IDF was by far the most destructive and of the highest intensity since the group's founding. The effective use of force, and the tactics of Hizbollah in the 2006 Lebanon war have been the subject of numerous studies, and the effect upon Israeli defense policy has been made clear by the focus on building the capacity of its missile defense systems. ⁴⁹ Still, to this day, as Israeli Air Force Brigadier General Doron Gavish noted at Israel's Multinational Ballistic Missile Defense Conference in May 2010, Israel's missile defense systems are under-prepared for the potential massive deployment of the different levels of katyusha, Fajr, and M600 currently in Hizbollah's arsenal. ⁵⁰

CONCLUSIONS

Understanding state alignment with armed groups is essential in the twenty-first century for multiple reasons. In the last several decades the size and scope of armed groups' capacity to organize and project force has grown remarkably. In the past, it may have been tempting to view non-state actors as being smaller units that operate at the margins of the international system, but recent trends in their use of hybrid warfare challenges this notion; the 2006 Lebanon war between Hizbollah and Israel, along with the United States' decade-long attack on al-Qaeda and the Taliban in Afghanistan and Pakistan are perhaps the most salient examples. Exploring why states align with armed groups is critical because those relationships directly affect how great powers should design and implement security policy.

Further, it is clear that, in a state-centric system, armed groups would not be able to garner such elevated levels of power without state support. Aligning with armed groups in the pursuit of regional or global security policies has a long history. Yet, the organizational level and potential reach of the groups under the sway of more powerful states has changed as increasingly powerful weaponry has become easier to make and more accessible with the advent of new technologies and means of production. As such, in many cases, armed groups have been able to up the status of their relationships with states from subject to key ally in the twenty-first century.

Two key existing theories may be helpful for understanding the statearmed group alliances, alliance theory and principal-agent theory. Alliance theory would do well to consider the addition of armed groups. Though

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still asymmetrical when it comes to states at the unit-level in international relations theory, mainly due to de jure considerations of sovereignty, the de facto force capacity of such groups, operating in weak or failed states makes them attractive allies for states facing

significant threats and with few balancing options. Further, they offer the added benefit of cost reduction and plausible deniability.

Principal-agent theory seeks ways to improve the outcomes of cooperation between two units by seeking ways to align the interests of principal and agent. The principal in the relationship will seek to maximize the benefits it reaps when delegating tasks to agents (i.e., designing incentives to make the agent perform the same as the principal if the principal were in the place of the agent). To do so, the principal has to either develop effective monitoring of the agent or to sanction or reward the agent's performance.

The problem with applying principal-agent theory to relationships between states and non-state groups is the nature of the contract. In international relations, the alliance of states with armed groups in the pursuit of regional security policy is considered outside of accepted norms, or "illegal." As such, attempts to control or monitor the performance of armed groups by the state will effectively heighten their exposure to the group. With increased exposure comes a theoretical decline in the two stated benefits of the alliance, as the state will likely face retribution from those states against whom it is directing the violence of the armed group. Further, the risks of growing the capabilities of the group could mean a loss of control of the group, which could have disastrous effects for the state sponsor at both the domestic and international levels.

While such theoretical pitfalls seem daunting, in practice, the delegation of force projection to a state's regional policy is likely a net benefit rather than a net cost. The case of Syria and its use of armed groups are illustrative. Though under international sanctions for its ties to and use of armed groups in its regional policy, the force projection capacity that it has been able to garner from such an alliance is clearly a net benefit when considering its regional security policy. Syria has incorporated its armed group allies at two levels. Not only have the groups become its primary instruments in its attempts to balance against Israel, but they have also become a pillar of regime stability at the domestic level. Syria has been willing to do so at the potential costs of a loss of control or blowback in the event it seeks to break its ties with them. Still, in the instance where Syria has few other options available, its cooperation with its armed group agents has proven to be a strong positive gain for its regional security policies.

ENDNOTES

- 1 From 1976 to 1982, President Hafez al-Assad faced a siginificant domestic Islamic uprising from the Syrian Muslim Brotherhood, culminating in the February 1982 Hama masacre. Later that same year, Syrian forces were drawn into a costly and protracted stalemate with Israeli forces as both Israel and Syria sought to control southern Lebanon as a vital component of each state's regional security policies.
- 2 The conflict between Israel and Hizbollah is more commonly referred to as the 2006 Lebanon war. Though the IDF and the Hizbollah Resistance" forces are generally considered to be the principle combatants; the Lebanese Communist Party (LCP) and the Popular Front for the Liberation of Palestine-General Command (PFLP-GC) also joined the forces of Hizbollah. Further, Al-Assad's speech came one day after the cease-fire was declared at the end of a conflict that left approximately 1,500 dead, devastated much of Lebanon's infrastructure, and displaced almost 1.5 million people. For particular details of the conflict, see Anthony Cordesmann with George Sullivan and William D. Sullivan, Lessons of the 2006 Israeli-Hezbollah War (Washington: CSIS, 2007).
- 3 Syrian President Bashar al-Assad even went as far as to call out regional leaders as "half men" for their failure to support Hizbollah in a speech immediatey following the 2006 Lebanon war. Al-Assad's remarks were a direct response to the unusual step taken by prominent regional Sunni powers to criticize Hizbollah openly at a July 15th meeting of Arab League Foreign Ministers, just days after the war broke out. All of the Arab states present, with the exception of Syria, criticized Hizbollah; what was exceptional was the criticism of such states as Egypt and Saudi Arabia. See Esther Pan, "Syria, Iran and the Middle East Conflict" (New York: *Council on Foreign Relations*, July 18, 2006), https://www.cfr.org/publication/11122/syria_iran_and_the_mideast_conflict.html> (accessed April 26, 2011).
- 4 Ed Blanche, "Hizbullah Rocket Creates Growing Concern in Israel," *IHS Jane's Defense* & Security Intelligence & Analysis, May 20, 2010, IHS Global Ltd.
- 5 See, for instance, Daniel Byman, "How to Handle Hamas: The Perils of Ignoring Gaza's Leadership," *Foreign Affairs* 85 (5) (September/October 2010): 45-66. See also Christian Balmer, "Lax Egypt Border Lets Hamas Rearm: Israeli Official," *Reuters*, November 14, 2010, http://www.reuters.com/article/ 2010/11/14/us-israel-egypt-gaza-idUSTRE6AD26X20101114> (accessed April 26, 2011).

- 6 A point made all the more evident in the wake of the humiliating Israeli air strikes deep into Syrian territory on September 6, 2007, when the Israeli Air Force struck what the IDF claimed to be a nascent nuclear facility at al Kibar in northern Syria, and the U.S. gunship raids a year later on October 26, 2008, at Abu Kamal in the Syrian Desert regions bordering Iraq.
- 7 Daniel Byman and Sarah Kreps, "Agents of Destruction? Applying Principal-Agent Analysis to State-Sponsored Terrorism," *International Studies Perspectives*, 11 (2010): 1-18.
- 8 Moral hazard is when a party insulated from risk behaves differently than it would if it were fully exposed to risk. The definition of moral hazard in terms of armed group agents therefore encompasses not only the concept of suboptimal outcomes (or shirking behavior) but, in this instance, the brazen use of force that would expose the principal to greater risk than the agent. This concept will be discussed at greater length later in the paper.
- 9 Bashar al-Assad was thirty-four years old when he assumed power on July 17, 2000.
- 10 Kenneth Waltz, *Theory of International Politics* (Reading: Addison-Wesley, 1979). Also see Stephen Walt, *The Origin of Alliances* (Ithica: Cornell University Press, 1994).
- 11 Steven R. David, "Explaining Third World Alignment," World Politics 43 (January 1991): 233-256.
- 12 Michael Barnett discusses this at length in his study of the domestic sources of Egyptian alignment policies from 1962-1973. See Michael Barnett, "Domestic Sources of Alliances and Alignments: The Case of Egypt, 1962-1973", *International Organization* 45 (3) (Summer 1991): 369-395. Barnett's study sets up a model that includes both sets of variables (systemic and domestic), with the independent variables being: external security threats, the domestic economy, and concerns for domestic political stability in shaping the Egyptian government's choices between the strategy of external alignment and that of internal mobilization of resources between 1962 and 1973.
- 13 This point is argued particularly well by Michael Barnett about Arab states in general as they shifted away from pan-Arab politics. Barnett states that, despite the varying degrees to which such states adhere to such a territorial reality, this is shifting the way in which Arab states present a united front in the confrontation with Israel, a wariness toward the idea of strategic alliances with the West, and their attitudes regarding the long-term aspiration of Arab state unity. Accordingly, Arab states seem to be trending toward normative fragmentation of the formerly unified Arab bloc. See Michael Barnett, *Dialogues in Arab Politics: Negotiations in Regional Order* (New York: Columbia University Press, 1998), 13.
- 14 Volker Perthes, *The Political Economy of Syria under Assad* (New York: I. B. Tauris & Company Ltd., 1995).
- 15 Patrick Seale, *Assad: The Struggle for the Middle East* (Berkeley: University of California Press, 1995), 366.
- 16 Raymond Hinnebusch, *Syria: Revolution from Above* (London: Routledge, 2001), 58-60.
- 17 Seale, 202-225. Though the 1973 war with Israel proved to be catastrophic for the Arab side of the conflict and a huge disappoint for Hafez al-Assad personally, it was also a turning point in his career and the Syrian advances in the Golan served to solidify his position both domestically and regionally.
- 18 As will be noted later, this is also a turning point in the way in which Syria incorporated armed groups into its regional security policy.

- 19 For example, see Hans Morgenthau, *Politics Among Nations: The Struggle for Power and Peace* (New York: Knopf, 1967); Arnold Wolfers, "The Balance of Power in Theory and Practice," in *Discord and Collaboration: Essays on International Politics* (Baltimore, MD: Johns Hopkins University Press, 1962); or Stephen Walt, *Origins of Alliances* (Ithaca: Cornell University Press, 1994).
- 20 Due to their lack of sovereign state status, the use of force by armed groups almost guarantees their designation as terrorist groups. According to the State Department, there are currently thirteen international conventions and protocols dictating the norms and principles of state behavior vis-à-vis terrorism. Syria is a signatory of nine of the thirteen. See U.S. Department of State, *Country Reports on Terrorism 2009*: Chapter 3 (Washington, DC: August 5, 2010), http://www.state.gov/s/ct/rls/crt/2009/140889. htm> (accessed April 26, 2011).
- 21 Syria is currently under several layers of bilateral and multilateral sanctions for its continued support of Hizbollah, Hamas, and other Palestinian organizations. Syria was first designated a state sponsor of terrorism in 1979. The most significant are the three-tiered sanctions imposed by the United States that have been in place since 2004 when the Syria Accountability and Lebanese Sovereignty Act (SALSA) was implemented. They consist of essentially three major components: 311 Actions (or Patriot Act, anti-money laundering measures against the Commercial Bank of Syria), Office of Foreign Assets Control (OFAC) Prohibitions (targeting individuals and entities with ties to terrorist activities), and Commerce Department Sanctions.
- 22 The most commonly cited may be George Downs and David Rocke's study of electorate delegation of power to an executive within a democracy: George Downs and David Rocke, "Conflict, Agency, and Gambling for Ressurection: The Principal-Agent Problem Goes to War," *American Journal of Political Science* 38 (2) (May 1994): 362-380. Other examples include Roderick Kiewiet and Matthew McCubbins's studies of legislative bodies' delegation to special committees and/or agencies: Roderick Kiewiet and Matthew McCubbins, *The Logic of Delegation* (Chicago: University of Chicago Press, 1991).
- 23 A notable exception to this is Byman and Kreps' article cited in note 7. Byman analyzes state-sponsored terrorism as a principal-agent issue and the dilemma of delegation to a terrorist group, discussing the conditions under which states are likely to delegate to an terrorist group and the reasons he believes some relationships are stronger, and how and why some may be more easily broken than others. Ultimately, however, Byman's argument favors the ideological binds for state-armed group alliances over the realist argument.
- 24 For an understanding of the microeconomic theory of the principal-agent dilemma, see David M. Kreps, *A Course in Microeconomic Theory* (Princeton, NJ: Princeton University Pres, 1990); see especially chapters 16 and 17. See also Paul R. Milgrom and John Roberts, *Economics, Organization, and Management* (Englewood Cliffs, NJ: Prentice-Hall, 1992), especially chapters 5 and 6.
- 25 David Sutherland, "Principals and Agents: The Activities of the Crown Agents for the Colonies, 1880-1914," *The Economic History Review, New Series*, 52 (2) (May, 1999): 284-306. See also George W. Downs & David M. Rocke, "Conflict, Agency, and Gambling for Resurrection: The Principal-Agent Problem Goes to War," *American Journal of Political Science* 38 (2) (May 1994): 362-380.
- 26 Anthony Vinci develops this argument quite well in his recent book *Armed Groups and the Balance of Power* (New York: Routledge, 2010). Vinci's argument is that though armed groups do not enjoy *de jure* sovereignty, in many cases they do enjoy *de facto* sovereignty; he argues that this should be sufficient to include such groups in realist balance of power models.

- 27 The logic of alliance protraction due to shirking is owed to a discussion with and an unpublished paper by Jeff Friedman written in the pursuit of his doctorate at Harvard.
- 28 The reasons for state delegation to armed groups are in part drawn from Byman & Kreps.
- 29 Seale; Lisa Wedeen, Ambiguities of Domination: Politics, Rhetoric, and Symbols in Contemporary Syria (Chicago: University of Chicago Press, 1999).
- 30 Seale, 123-130.
- 31 *Ibid*.
- 32 Flynt Leverett, *Inheriting Syria: Bashar's Trial by Fire* (Washington: Brookings Institution Press, 2005).
- 33 See Malcolm Kerr, *The Arab Cold War: Gamal Abd al-Nasir and His Rivals, 1958-1970* (New York: Oxford University Press, 1971). After the defeat against Israeli forces in 1949, Syria experienced no less than three successful coups in less than one year.
- 34 Interestingly, Syria is the only state ever to have voluntarily surrendered its sovereignty. Such a bold move against the status quo of the Middle Eastern state configuration since the mandate era is a clear demonstration of the power of the pan-Arab movement spearheaded by Gamal Abd al-Nasir.
- 35 Anoushiravan Ehteshami and Raymond Hinnebusch, *Syria and Iran: Middle Powers in a Penetrated Regional System* (London; New York: Routledge, 1997).
- 36 Perthes, 23-48.
- 37 Seale; Leverett; Wedeen.
- 38 Leverett, 42-43. See also Michael Young, "Lords Over Lebanon: Syria's Still in Charge, but the U.S. Presence in Iraq Could Change That," *Slate*, May 8, 2003, http://www.slate.com/id/2082730/ (accessed April 26, 2011).
- 39 David Hirst, Beware of Small States: Lebanon, Battleground of the Middle East (New York: Nation Books, 2010), 211-224
- 40 Leverett, 108-109.
- 41 *Ibid*.
- 42 Rubin Uzi, "The Rocket Campaign against Israel during the 2006 Lebanon War," *Mideast Security and Policy Studies* 71 (June 2007): 4.
- 43 The degree of the tightening of sanctions is outlined in note 16.
- 44 Nabil Sukkar, interview by author, executive offices of the Syrian Consulting Firm for Business and Development, Damascus, Syria, January 10, 2008.
- 45 Economist Intelligence Unit, *Country Report: Syria* (London: Economist Intelligence Unit, October, 2010): 7-9.
- 46 Uzi, 34.
- 47 Ibid., 4.
- 48 Blanche.
- 49 The most sophisticated and complex is the Arrow Program, which is largely funded by the United States and was begun in the wake of the Scud missile attacks by Saddam Hussein in the first Gulf War from 1990-1991. Yet, despite the level of sophistication, the Arrow layers of missile defense focus mainly on longer range missiles, such as the Iranian Shahab, and would be ineffective against a barrage of smaller, shorter range missiles that would be fired by Hizbollah. As such, the IDF is in the process of finalizing an even lower-tier of missile defense, below the Arrow systems, that would be able to handle the shorter range Katyusha rockets. This program is called Iron Dome.
- 50 Blanche, 1.