



Trump's Signal To Tehran

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The Trump administration is turning up the heat on the ayatollahs. On Monday, April 8th, the White House formally announced that it was adding the Islamic Revolutionary Guard Corps (IRGC) to the State Department's Foreign Terrorist Organization list – putting Iran's clerical army on a par with global terrorist groups like the Islamic State and al-Qaeda.

The move, which formally goes into effect on April 15th, is hardly unprecedented. As the State Department has extensively detailed, Iran consistently ranks as the world's leading state sponsor of international terrorism, and the IRGC is the principal instrument of this malign activity. From direct involvement in numerous acts of terror over the past four decades to the ongoing training of radical proxies like Lebanon's Hezbollah and assorted Shi'ite militias, the IRGC has established itself as a truly global threat actor.

But the Revolutionary Guards are also much more. Within Iran, they are nothing short of an economic powerhouse, in control of numerous companies and corporate entities that stretch across broad swathes of the national economy, from transportation to energy to construction. IRGC-controlled and -affiliated entities now permeate virtually every financial sector in the country, and wield extensive influence over Iran's gray- and black-market activities. All told, the IRGC is believed to control one-third or more of the total economy of the Islamic Republic.

All of this makes the Revolutionary Guards a logical target for the Trump administration's campaign of "maximum pressure" against the Iranian regime. In fact, the U.S. government has already sanctioned the IRGC extensively – most recently in October 2017, when the U.S. Treasury Department targeted the Guards for supporting the nefarious activities of their dedicated paramilitary arm, the Qods Force.

Monday's designation broadens these measures further. It makes it a crime for any individuals or businesses to "knowingly provide material support or resources" to the Revolutionary Guards. The immediate objective is to leverage the IRGC's pervasive influence over the Iranian economy to deter companies currently doing business there from doing more.

"If you are doing business with the IRGC, you will be bankrolling terrorism," the formal Administration announcement makes clear. Indeed, precisely because the IRGC's extensive business dealings are so intertwined with the overall national economy, the White House hopes that companies will now disengage from the Islamic Republic rather than face the prospect of economic penalties.

In order to achieve that effect, however, the Trump administration will need to provide the companies in question with proof that they are in fact doing business with the IRGC – and apply concrete punishments to those that don't change their behavior as a result. If that doesn't happen, the practical financial impact of the IRGC's blacklisting is likely to be minimal.

The potential strategic ramifications, however, are more pronounced. As Michael Pregent of the Hudson Institute has noted, as a result of the designation all of the activities of the IRGC and its Qods Force "can be touched" by the U.S. government. That includes Iraq's Shi'a militias, which are heavily subsidized by Iran, and the legion of irregulars from Afghanistan, Pakistan, Yemen and other nations that the Islamic Republic has mobilized and deployed in Syria. In other words, the White House has just given itself greater freedom of action to target the extensive threat network that the Islamic Republic has erected around the region.

But the most immediate effect is symbolic in nature. The destabilizing regional role played by the Iranian regime via the IRGC has been a fixture of Mideast politics for decades. For just as long, the U.S. government has stopped short of resolutely confronting this behavior, much to the chagrin of the Iranian regime's victims and its nervous neighbors.

The Trump administration has now begun to do so. This week's designation represents an acknowledgement that "Iran is not only a State Sponsor of Terrorism, but that the IRGC actively participates in, finances, and promotes terrorism as a tool of statecraft," as the White House statement puts it. The Administration has thereby confirmed what the world – and the Iranian people – have long known. And it has gone a long way toward reassuring regional allies that they are not alone in confronting the threat.