AMERICAN FOREIGN POLICY COUNCIL

What Fuels The Growing Threat From Hezbollah?

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In early April, Palestinian militants positioned in Lebanon fired 34 rockets into Israeli territory. While Israel's Iron Dome missile defense system was able to intercept most, five hit Israeli territory and injured two civilians. The barrage was the largest to emanate from Lebanese territory since the 2006 Israel-Lebanon War. But it could pale in comparison to the next potential assault from Lebanon, and its most likely perpetrator: Lebanon's powerful Hezbollah militia.

When the most recent war between Israel and Lebanon broke out in 2006, Hezbollah possessed around 15,000 rockets and missiles in its arsenal. During the course of the war, Hezbollah forces fired nearly 4,000 of those at Israel, killing 43 civilians in the process. This spurred Israel to develop the Iron Dome and other missile and rocket defenses, which now protect its cities and civilian population with a 97 percent success rate.

But Israel's defensive advantage is deteriorating. Over the past several years, Hezbollah has succeeded in amassing around 150,000 rockets and missiles as preparation for a future conflict. Those munitions are deadlier too, and include Iranian-supplied cruise missiles, anti-aircraft missiles, and thousands of long- and medium-range rockets capable of hitting nearly anywhere in Israel.

These stockpiles are Hezbollah's most dangerous weapons, and its most potent form of leverage. Back in 2021, one Israeli general estimated that the Shi'ite militia would fire 2,000 rockets and missiles at Israel each day in a future war. Such massive barrages would overwhelm Iron Dome's ability to intercept each volley and rapidly deplete Israel's stock of interceptors, leaving Israeli cities defenseless. It's no surprise, therefore that policymakers in Jerusalem are actively planning ways to degrade and thwart Hezbollah's formidable arsenal.

A lasting answer to the threat, however, requires more than erecting additional missile defenses, or carrying out surgical strikes against Hezbollah missile depots. It necessitates understanding – and then disrupting – the revenue streams that have made that buildup possible. Here, two sources of the militia's financing stand out.

The first is the Islamic Republic of Iran, Hezbollah's creator and chief backer. Iran continues to serve as the group's prime funder, providing it with what the State Department estimates to be as much as $700 million annually. Tehran, moreover, has long supported Hezbollah's development of missile production facilities through technical training, and has guided the group's ongoing efforts to convert its rocket stockpile into precision guided missiles.

Yet, while Iran's largesse is generally well understood by policymakers in Washington, Hezbollah's other cash cow, its illicit drug trade, is considerably less so.

Hezbollah conducts drug and weapons trafficking and elaborate money laundering schemes through a special unit called the Business Affairs Component. As early as 2013, the group was processing $200 million a month for Mexican drug cartels moving tons of cocaine into the United States. That ongoing activity, however, has gone largely unaddressed. Efforts to fully clamp down on the network were blocked by the Obama administration during its time in office, because they ran counter to White House attempts to conclude a deal with Iran over its nuclear program at the time.

In the last few years, meanwhile, Hezbollah's irregular activities have ramped up considerably. As experts have warned, the group is expanding its foothold in Latin America, where it has maintained an asymmetric presence since the early 1980s, including via its role in the hemisphere's illicit trades. In the Middle East, meanwhile, it is known to be assisting the regime of Syrian dictator Bashar al-Assad with the production and trafficking of Captagon, a drug business estimated to be worth some $10 billion annually.

All of these things should make Hezbollah's growing menace a concern not only for Israel, but for the United States as well. Yet so far, the Biden administration, preoccupied with the unfolding "great power competition" with China, as well as assorted domestic priorities, hasn't paid much attention to the Hezbollah threat.

However, an opportunity to do so lies on the horizon. Last year, Congress – concerned over the destabilizing regional effects of Syria's burgeoning drug trade – mandated that the White House develop a strategy for disrupting and dismantling Syrian dictator Bashar al-Assad's narcotics network. That strategy is due to be presented on Capitol Hill this June.

Whether it will materialize, however, remains an open question. Despite more than a year of fruitless diplomacy, the Biden administration is still hoping for some sort of nuclear deal with Iran, and is now reportedly seeking a "freeze-for-freeze" arrangement that would trade a cessation of sanctions for halted nuclear work. As a result, it could very well be tempted to play down the role of Iran's chief terror proxy in propping up the Assad's regime.

That would be a critical error, because – thanks both to Iranian support and a thriving drug business – the regional (and indeed global) threat posed by Hezbollah is growing. Shutting off the financial spigot for one of the world's most dangerous terrorist groups should rank as a top priority for the United States.

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