Understanding the Risks of U.S.-Iran Escalation amid the Gaza Conflict

Terrible as the Gaza war’s toll has already been, it would get worse if sustained fighting were to erupt between the U.S. and Iran or its Middle East allies. Crisis Group experts Brian Finucane, Lahib Higel, Naysan Rafati and Ali Vaez lay out the dangers.

What is happening?
The United States appears to be in an escalatory spiral of strikes and counterstrikes with Iran-backed groups in the Middle East. The spiral began on 17 October, with attacks involving drones and indirect fire on U.S. forces based in Iraq and Syria. Iran-backed groups based in Iraq appear to be the only actors claiming responsibility for these attacks, which are taking place amid a wider build-up of U.S. military assets in the region as Israel proceeds with its offensive in the Gaza Strip. The U.S. has now hit back twice, on 26 October and 8 November.

On the first occasion, U.S. forces launched airstrikes on targets in eastern Syria that Washington described as “facilities used by the IRGC [Iran’s Islamic Revolutionary Guard Corps] and IRGC-affiliated groups for command and control, munitions storage, and other purposes”. The stated objective of deterring further strikes on U.S. forces was not achieved. Attacks by Iran-backed groups on U.S. forces in both Iraq and Syria persisted. In early November, the U.S. estimated that at least 40 such attacks – roughly half in Iraq and half in Syria – had occurred since the middle of the preceding month. At least 22 of them happened after the U.S. dealt its counterblow on 26 October, with the latest reportedly involving more powerful weapons. As the attacks went on, the U.S. conducted another airstrike on 8 November on “a weapons storage facility” in eastern Syria “used by the IRGC and affiliated groups”. Again, the deterrent effect was questionable, as attacks on U.S. forces in Iraq and Syria were continuing at the time of publication.

The attacks since 17 October have injured more than 50 U.S. personnel, the majority thus far at al-Tanf, site of a garrison in south-eastern Syria. One U.S. contractor suffered fatal cardiac arrest while sheltering in Iraq. The 8 November U.S. airstrike may also have resulted in fatalities among IRGC-affiliated personnel, though the Pentagon asserts no civilian was harmed.

Despite the succession of strikes and counterstrikes, neither side – the U.S. and Israel, on one hand, and Iran and the groups it supports, on the other – appears to want a major regional escalation. But as the war in Gaza goes on, the risk of exactly that will continue to increase.

Who are the groups firing at the U.S.?
An umbrella entity calling itself the Islamic Resistance (al-Muqawama al-Islamiya) has claimed responsibility for the majority of the attacks on U.S. forces in both Iraq and Syria. The Islamic Resistance appears to comprise Iraqi groups linked to the “axis of resistance”
that is, the network of Iran-aligned states, like Syria, and non-state actors that includes the Houthis in Yemen, Hezbollah in Lebanon and Palestinian groups like Hamas and Islamic Jihad. The Iraqi groups took on the new name following Israel’s military campaign responding to Hamas’s 7 October attacks on Israel.

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The main Iraqi groups in this coalition include Kata’ib Hezbollah, Harakat al-Nujaba, Kata’ib Sayed al-Shuhada, Asa’ib Ahl al-Haq and the Badr Organisation. Close observers tell Crisis Group that only the first three entities have participated in the latest attacks. So far, the latter two have confined themselves to cheering on the operations.

Sources close to the fighting say U.S. retaliatory strikes have hit only facilities belonging to Iraqi groups stationed near Abu Kamal, Syria, damaging refrigerator trucks. The U.S. has not struck targets in Iraq, although many of the attacks on U.S. forces appear to have emanated from Iraq, with others conducted from inside Syria. In this respect, the Biden administration has continued its recent pattern of refraining from striking groups in Iraq. Indeed, it has not even publicly attributed strikes on U.S. forces to these groups. Its circumspection likely comes from a desire to maintain good relations with Baghdad. Washington wants to avoid a scenario in which the Iraq government might come under domestic political pressure to demand that the U.S. pull its troops out of the country.

As in the past, the U.S. has offered only vague descriptions of the entities responsible for attacking U.S. forces. In October, Secretary of Defense Lloyd Austin referred to the attackers simply as “Iran-backed militia groups”. Austin was also very general in his characterisation of who the U.S. struck in retaliation, describing the targets as “two facilities in eastern Syria used by the IRGC and affiliated groups”. The Biden administration has not identified these destroy facilities, although as noted there may have been casualties in the 8 November strike.

Another regional actor that has attacked U.S. military assets is the Houthis – the insurgents who ousted Yemen’s internationally recognised government from the capital, Sanaa, and are aligned with Iran. On 8 November, the Houthis shot down a U.S. MQ-9 Reaper drone off Yemen’s Red Sea coast. The Houthis had previously tried twice to lob missiles at Israel, with the USS Carney intercepting one on 19 October and Israel downing another on 31 October.

**What is the background to these hostilities in Iraq?**

An uneasy modus vivendi settled in between U.S. troops and Iran-backed militias in Iraq after President Barack Obama sent U.S. forces back to Iraq to combat ISIS in 2014, having withdrawn them just a few years before. Many of the militias belong to the Hashd al-Shaabi (Popular Mobilisation), made up of masses of fighters who answered the call of Shiite clerics in 2014 to rid Iraq of ISIS. Some of these groups and their members had previously fought the U.S. military when it was present in Iraq from 2003 until 2011 – ie, the period following the U.S. invasion. U.S. and Hashd forces battled ISIS in parallel through 2017, both with the sponsorship of the Iraqi government. The Iran-backed groups within the Hashd generally refrained from targeting U.S. troops, apparently at Tehran’s behest: Iran and the U.S. shared the objective of eradicating ISIS.
This relationship between U.S. forces and Iran-backed groups – tense but not crossing the line into overt hostilities – began to unravel in 2018, following President Donald Trump’s unilateral withdrawal from the 2015 Iran nuclear deal. Frictions rose with Washington’s subsequent reimposition of sanctions on Iran as part of Trump’s “maximum pressure” campaign and its decision in April 2019 to designate the IRGC as a Foreign Terrorist Organization. In December 2019, a rocket attack on U.S. forces killed a U.S. civilian contractor and injured four U.S. service members. The Trump administration blamed Kata’ib Hizbollah and retaliated with airstrikes on the group in both Iraq and Syria. On 31 December 2019, Kata’ib Hizbollah and other Iran-backed militias organised a demonstration outside the U.S. Embassy in Baghdad, which turned violent, inflicting significant damage on U.S. property.

Fighting between U.S. and Iran-backed forces in Iraq formed the backdrop for the 2 January 2020 U.S. airstrike that killed General Qassem Soleimani, head of the IRGC’s elite Qods force, and Abu Mahdi al-Muhandis, founder and commander of Kata’ib Hizbollah, as well as leader of the Hashd. Within days, Iran replied with a fusillade of ballistic missiles aimed at U.S. forces at al Ain al-Assad air base in western Iraq. Though Trump tweeted “All is well”, the counterattack left more than 100 U.S. troops with traumatic brain injuries. The Pentagon later awarded dozens of these people with Purple Hearts – a decoration given to soldiers killed or wounded in battle – for what Trump had downplayed as “headaches”.

Trump’s secretary of state, Mike Pompeo, boasted that killing Soleimani had “restored deterrence”, but the record suggests otherwise. Attacks by Iran-backed groups on U.S. forces in Iraq continued during the remainder of Trump’s time in office. In March 2020, a rocket attack on U.S. troops killed two U.S. soldiers, prompting further retaliatory airstrikes on Kata’ib Hizbollah in Iraq, which the U.S. government blamed for the fatalities.

Frequent attacks on U.S. forces in Iraq also continued for the first year of President Joe Biden’s term as well, but then the situation improved. By September 2022, groups in Iraq had begun to observe a unilateral truce with respect to U.S. forces in Iraq, an arrangement that became official when the government of Mohammed Shia’ al-Sudani was formed that November.

What is the background to the hostilities in Syria?

Hostilities between U.S. and Iran-backed groups in Syria also escalated during the Trump administration, with much of the fighting concentrated around the U.S. military base at al-Tanf. In one particularly intense period of exchanges, in May and June 2017, the U.S. military repeatedly battled fighters supporting the Syrian government, carrying out airstrikes on ground forces and shooting down two drones.

It is not clear what precise mission the U.S. troops at al-Tanf are intended to accomplish. Although Washington dispatched them as part of the counter-ISIS campaign, by the end of 2018 they had little to do in that regard. The Pentagon wanted to remove them. But Iran hawks such as Pompeo and National Security Advisor John Bolton advocated for keeping them there to counter Tehran. (In his memoir, Bolton writes “[Secretary of Defense James] Mattis was sceptical of al-Tanf’s worth, probably because he was focused on ISIS rather than Iran. Iran was my main concern, and I stayed firm on al-Tanf throughout my time as national security advisor”.)

Flare-ups between U.S. troops and Iran-backed militias in Syria continued after Trump
left office. Prior to October, the Biden administration had conducted four airstrikes on unspecified “Iran-backed militia groups” in Syria, in retaliation for drone and rocket attacks on U.S. facilities. In justifying the strikes, which occurred in February and June 2021, August 2022, and March 2023, the U.S. stated that “[t]hey were conducted in a manner intended to establish deterrence”. Victoria Nuland, the undersecretary of state for political affairs, similarly referred to the deterrent intent behind prior strikes in a 28 September 2023 congressional hearing.

At the same time, the U.S. has not responded to every attack on its troops in Iraq and Syria. For example, during the period from January 2021 to March 2023 there were 83 such attacks that did not result in retaliatory airstrikes, according to testimony by General Mark Milley, who was then chair of the Joint Chiefs of Staff. Notably, the groups currently attacking U.S. forces are likely Iraqis operating in Syria.

Why are these hostilities between U.S. forces and Iran-backed groups happening now?
The spike in attacks on U.S. forces that began in October 2023 ended a lull believed to be part of informal de-escalatory understandings between Washington and Tehran. The relative calm was a result of indirect negotiations in Oman following the March 2023 attack by Iran-backed militias in Syria that had killed a U.S. service member. In September, U.S. officials noted that more than a year had passed since the last attack on U.S. forces in Iraq, while in Syria there had been no attack since the tit-for-tat exchange in March.

But that quickly changed in October. A week after Israel had launched its military campaign in Gaza, responding to Hamas’s 7 October attacks in Israel, Iran-backed groups began targeting U.S. forces in both Syria and Iraq. In the past, attacks by Iran-backed groups on U.S. forces in Syria (particularly at the al-Tanf garrison) have followed Israeli military actions in Syria or been part of Tehran’s counter-pressure campaign against the U.S. in Iraq and/or Syria. But this time the trigger was clearly different. The resumption of attacks coincided with the intensification of conflict in Gaza, occurring on the same day (17 October) as a deadly blast at the al-Ahli hospital in the strip that many in the region blame (perhaps erroneously) on Israel. The renewed attacks on U.S. forces, combined with claimed, attempted or confirmed attacks on Israel by groups in Lebanon, Syria, Iraq and Yemen, suggests an effort by the “axis of resistance” to pressure Israel to scale back its operations in Gaza. The groups behind the attacks appeared to be making an implicit threat that if Israel did not change course, they might open additional fronts against the U.S., which they see as providing Israel with decisive support for its Gaza campaign.

Likely reflecting its desire to avoid regional escalation, the U.S. showed greater forbearance than usual by weathering twenty attacks by one count prior to retaliating in October and a further twenty or more attacks before the subsequent counterstrike in November. But the recent harm to U.S. service members (including traumatic brain injuries) and the U.S. contractor’s death from a heart attack – not to mention the sheer persistence of the drone and rocket fire at U.S. bases – put the Biden administration in a position where it felt it had to respond.

Why does it matter?
Although the latest exchanges of fire between the U.S. and Iran-backed groups appear to be a return to the status quo that preceded the de-escalatory understandings reached in Oman, their frequency and scope make for a particularly dangerous mix, particularly in the current tense environment. A miscalculation or a mishap could well lead to significant escalation. For example, if U.S. forces begin to take significant casualties through further strikes, direct U.S. retaliation against IRGC personnel is an entirely conceivable response. The resulting dynamic might lead to a wider conflict between the U.S. and Israel, on one hand, and Iran and
the “axis of resistance”, whether this outcome serves either side’s interests or not.

Washington has both signalled to Tehran its desire to de-escalate and sought to project strength. As the strikes on U.S. forces proceeded, it reportedly tried to warn Tehran to discontinue them. It has also made clear that it holds Iran responsible for attacks on U.S. forces, whether conducted by state forces or Iran-supported groups. In announcing the 26 October and 8 November rounds of retaliatory strikes, the Biden administration additionally raised the ante rhetorically by publicly drawing a connection between its targets and the Iranian state – referring to “facilities used by the IRGC and IRGC-affiliated groups”. If attacks on U.S. forces persist, and particularly if U.S. casualties mount, the Biden administration may feel compelled to ratchet up its response again.

In response to an armed drone crashing into U.S. barracks at Erbil air base in Iraq (but not exploding) on 25 October, a U.S. defence official noted, “They’re aiming to kill. We have just been lucky”. That luck may eventually run out.

For its part, Iran has warned Israel not to expand its ground operation in Gaza, while admonishing the U.S. that its support for Israel’s campaign could be the prelude to a regional confrontation involving the network of partners it has cultivated over decades. Whether under explicit instructions from Tehran or with its implicit approval, groups are now active in at least five theatres – Gaza, southern Lebanon, Iraq, Syria and Yemen – where Iran has a degree of influence.

Still, expanding the scope of these actions in response to developments in Gaza carries major risks for Tehran. The network it developed is primarily intended to deter the regime’s adversaries from threatening Iran itself in what has been described as a “forward defence” strategy, projecting influence across the region and challenging its rivals on third-party soil. Escalation in northern Israel and southern Lebanon could lead Israel, possibly backed by the U.S., to severely degrade Hizbollah, arguably the most potent element in Iran’s network. A further ratcheting-up of attacks on U.S. forces that leads to U.S. retaliation could also spark a U.S.-Iran escalatory cycle that takes on a life of its own, regardless of developments in Israel and Gaza. Such a cycle would be punishing for Tehran.

Iran and Hizbollah could nonetheless decide that they need to take significant escalatory risks, believing it untenable for Tehran’s “axis” to remain on the sidelines while civilian casualties mount in Gaza and another local ally – Hamas – gets substantially weaker. Staying out, by this logic, would expose the limits of the “axis” in mobilising to support its members. At this stage, however, it is unclear what might lead Iran and its allies in Iraq, Lebanon, Syria and Yemen to move beyond calibrated provocations and toward a riskier, more forceful response.

What should the parties do to lower the risk of escalation?

The cycle of provocation and retaliation between Iran-backed groups and U.S. forces in Syria and Iraq has always been dangerous, but it is especially so now. With the war in Gaza raging, the possibility of regional escalation is greater than it has been in years. Both sides have an enormous amount to lose should they get pulled into such a spiral. Against this backdrop, Tehran should take seriously the risks it will be running if it does not restrain its partner militias from stepping up their attacks. For its part, the U.S. should calibrate any responses with appropriate prudence, steering clear of escalatory actions.

At the same time, both Tehran and Washington would be wise to look for opportunities to defuse tensions. Right now, that may be politically impossible. But as soon as there is an opening to resume the quiet, indirect diplomacy that led to the pre-Gaza lull, both sides should seize it, possibly returning to the Omani and asking them once again to serve as an intermediary. Of course, calming tensions would be much easier if the fighting in Gaza were
to stop. Crisis Group has previously set forth recommendations for how best to move in this direction.

Finally, although the 2024 U.S. presidential election may introduce additional elements into the calculus, Washington should undertake an overdue assessment of the risks related to its deployment of U.S. troops in the region. This assessment should consider whether the troops serve as a tripwire for escalation to wider conflict and how to weigh the attendant risks against the intended benefit of these deployments as it relates to furthering counter-ISIS efforts. The need for such an evaluation is perhaps most pronounced with respect to the al-Tanf garrison. Short of a final decision, the Biden administration may want to consider a stopgap measure: It has quietly, albeit temporarily, relocated U.S. forces from al-Tanf on a previous occasion when they came under attack. That could be a useful precedent for the current moment.

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