Immortal Stalemate: U.S.-iranian Relations & The Diversionary Theory Of War

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IMMORTAL STALEMATE
U.S.-IRANIAN RELATIONS & THE DIVERSIONARY THEORY OF WAR

by

NAMDAR HOSSEINZADEH
BA University of Central Florida, 2008

A thesis submitted in partial fulfillment of the requirements for the degree of Masters of Arts in the Department of Political Science in the College of Sciences at the University of Central Florida Orlando, Florida

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ABSTRACT

Plagued by diverging security interests, the United States and Iran have been unable to formally reestablish diplomatic relations since the Islamic Revolution of 1979. Since 1989, the political environment in Iran underwent drastic changes with the passing of Ayatollah Khomeini. For the next sixteen years Iranian presidents attempted to normalize relations with the U.S. through various political, economic and social initiatives. It appeared as though the hostile relationship between the two countries was slowly becoming friendly. With the emergence of controversial populist president, Mahmoud Ahmadinejad, the years of diplomatic progress between the U.S. and Iran were quickly reversed. In this comprehensive study of U.S.-Iranian relations, the various reasons behind the current diplomatic stalemate between the two countries will be thoroughly explored using the Graeme Davies’s interpretation of the Diversionary Theory of War. The study covers the length of time starting from 1989 and concludes with an overview of U.S.-Iranian relations in 2012. Unlike previous works on this subject matter, the study at hand is not a mere historiography of U.S-Iranian relations. On the contrary, this study provides a qualitative analysis of domestic factors in both countries that strongly influence their foreign policy decisions. Thus, the purpose of this study is to explain the reasons behind Iranian rapprochement efforts in a structured analytical manner.
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PREFACE: AN INTRODUCTION TO THE STUDY

During the past two centuries, U.S.-Iranian relations have gone through a multitude of changes. In the first instance Iran reached out to the United States, the response of the latter was cautious and one of restrained embracement. Knowing all too well that the British and Russians would not allow any other country to threaten their interests in Iran, the Americans did not send an official delegation, but rather encouraged Tehran to hire William Morgan Shuster, an independent contractor that came highly recommended by the U.S. government. Thus in 1910, the Iranian Parliament—Majles hired Shuster to manage the country’s dire financial situation. His stay in the country was brief as the Russians and British supported anti-reformists Iranians to block any significant financial changes. Finally in 1911, Shuster was dismissed by the Majles and returned home in grave disappointment.1 The brief encounter with Shuster did little to sway Iran’s opinion on the United States as a whole. Not even the Allied invasion of Iran in 1941 significantly changed Iranian attitudes toward Americans. For the most part, Iranians were ambivalent towards the United States. A major change in Iranian policy on the United States took place in 1946 when the Americans pressured the Soviets to withdraw their forces occupying northwestern Iran.2 After World War II, Iran’s relationship with the United States drastically changed. Iranian policy makers regarded the United States as a balancing power capable of offsetting the dual supremacy of the British and Russians. As the Cold War progressed, Iran capitalized on its strategic geographical location and vital oil resource to gain access to American military expertise as well as modern technology. However, the U.S.-Iranian partnership was not without its flaws. The CIA’s role in the 1953 coup against the nationalist government of Dr. Mohammad Mossadegh created a tremendous grievance against U.S. involvement in Iran’s
domestic political affairs. Matters got significantly worse during the Islamic Revolution of 1979 when a group of radical student revolutionaries took over the U.S. Embassy and held its staff members hostage for over a year. Diplomatic relations between Iran and the United States were severed shortly after the embassy-takeover.

Although the consensus among Iranian policy makers is that the United States cannot be fully trusted to treat Iran as an equal partner, there are varying opinions on reestablishing formal diplomatic links with the world’s sole superpower. Geoffrey Kemp (1994) describes three main approaches to dealing with Iran from the perspective of U.S. policy makers that is also adaptable to the theoretical framework of Iranian foreign policy. These main approaches are Stagnation, Expanded Confrontation and the Olive Branch. The first option has some similarities with President Clinton’s Dual Containment policy, in which the United States attempted to keep both Saddam Hussein’s Iraq and the Islamic Republic of Iran from attaining weapons of mass destruction (WMD) along with containing their influence and power within their own state boundaries. Similarly, the Iranian policy of Stagnation promotes the foreign policy of the Rafsanjani Era where relations between Iran and the United States remained severed but hostilities did not increase. Consequently the policy does not directly confront American interests in the Middle East nor does it seek to actively compromise with the United States. Ayatollah Ali Khameini, Iran’s current Supreme Leader, and Ali Larijani, the Majles Speaker, are two key Iranian politicians who do not actively pursue hostilities with the United States or express any interest of normalizing relations with Washington. By operating independently of the United States, these Iranian policy makers seek to keep America from influencing Iran.
The Olive Branch approach asserts that Iran’s policy towards the United States is fundamentally flawed. Advocates of the Olive Branch policy still criticize American involvement in the Middle East but they are equally as critical of their own policy towards the United States. From their perspective, quarrelling with the United States has only led to political isolation and economic ruin. In order to alleviate Iran’s socio-economic problems, relations with the United States must be normalized. Olive Branch supporters do not believe the United States is inherently opposed to Islamic governance but fundamentally opposes Iran’s support for terrorist groups in the Middle East and its hostile stance on Israel. Hence, they are willing to negotiate those issues in exchange for diplomatic normalization, which would include removing all sanctions imposed on Iran by the United States and the reopening of embassies. Prominent Olive Branch politicians are the leaders of Iran’s democratic Green Movement, which includes former premier Mir Hossein Mussavi, former Majles speaker Mehdi Karoubi, and former president Mohammad Khatami.

Another group of Iranian policy makers believe Iran must not stray from Imam Khomeini’s original political doctrine. According to the advocates of Expanded Confrontation, the United States is fundamentally opposed to the values of the Islamic Revolution and aids secular Muslim leaders to oppress the devout Muslim masses in the region. Consequently, they seek to further tensions between Iran and the United States by openly challenging the latter’s interests in the region. Supporters of this foreign policy approach assert that it is their religious duty to export the Islamic Revolution to all the oppressed Muslim masses of the world and they must strive to do so at any cost. An example of such a controversial leader is President Mahmoud Ahmadinejad.
their advocates has become more important in recent years. What is still often overlooked is the significance of studying Iranian policy in a rigorous and systematic fashion.

**Table 1: Iran’s U.S. Policies and their Supporters**

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**Significance**

Iranian foreign policy has always been a topic of much discussion and intrigue. In the past thirty-three years, the Islamic Republic has been responsible for the Shia revival sweeping through Iraq, evading international standards on nuclear proliferation, funding terrorist groups like Hezbollah in southern Lebanon, and openly challenging U.S. hegemony in the greater Middle East. Likewise as important is Iran’s strategic geographical location as the land bridge between Europe and Asia. With two politically vulnerable countries located on both sides of it, Iran is in a prime position to exert its influence on them and frustrate years of U.S. efforts to secure the Middle East from the looming threat of Islamic autocracy. The vast majority of Iraqis share the same faith as their Iranian neighbors while a common language and history binds Afghanistan to Iran. Another important factor is Iran’s natural resources such as oil and natural gas. Iranians produce four million barrels of oil per day, making Iran the fourth largest oil...
producer in the world. Meanwhile, the world’s second largest natural gas reserves sit underneath Iranian soil awaiting extraction. Iran’s importance is undeniable from both an economic and security perspective. Hence, it is of the utmost importance to understand the dynamics of Iran’s U.S. policy. Immediately two fundamental questions comes to mind:

1) Which academic theory is most effective at explaining the troubled relationship between the United States and Iran?

2) What are the sources of contention between these two countries?

This study hopes to provide enough insight into U.S.-Iranian relations to answer the questions above. Yet it is also important to note that a single academic piece cannot explore every possible facet of U.S.-Iranian relations either. For better or worse, this study is limited to a specific time frame starting from 1989 and ending with 2012. Furthermore, only the Iranian side of the matter will be explored due to obvious time constraints and the danger of venturing into unknown territory, U.S. foreign policy. The study is solely concerned with the foreign policy mechanisms of Iran’s executive branch. Assessing the role of other government institutions in the development of Iranian foreign policy would require a separate work dedicated to such a topic. With such limitations in mind, the topic literature can be reviewed and analyzed.

**Theory Literature**

Most Iranian experts prefer to conceptualize U.S.-Iranian relations in a historical context. Such scholars merely provide detailed accounts of key events in U.S.-Iranian diplomatic history. Near the end of their anecdotal works, they attempt to draw analytical conclusions and provide recommendations to the U.S. government on how best to deal with Iran. One such work is *Paved With Good Intentions* (1980) by Barry Rubin. In his book, Rubin tells the story of a revolutionary
charged Iran on the mission of aiding uprisings in other Muslim countries. He describes how an occupied Iran effectively employed international diplomacy to regain its independence after World War II and skillfully manipulated the greater world powers in its favor. Contrasting the political views held by some Iranian expatriates, Rubin asserts the Shah crafted his own policies and accentuated American fears to gain greater access to American arms and most notable develop nuclear capabilities. This skillful manipulation was utilized after the Islamic Revolution of 1979 when U.S. personal were held hostage by young Iranian revolutionaries in Tehran. Iranian moderates attempting to restore order after the chaos of the revolution were frustrated by Khomeini’s divide and conquer tactics. With the moderates pushed aside, the Carter administration was left to deal with radical revolutionaries driven purely by irrational emotions. As expected, President Carter was unable to broker a deal with Khomeini for the release of the hostages. Rubin effectively utilized examples similar to the Iranian hostage crisis in his chronological study of U.S.-Iranian relations. The book’s thesis is centered on a struggling Iran whose diplomatic skills have always ensured the survival of its regime in the face of a foreign threat. Rubin also mentions political ideology as the major point of contention between the United States and Iran. Iran’s Islamic Republic is a theocracy that promotes a revolutionary interpretation of Islam. According to this branch of politicized Islam, Iran has suffered from economic and political exploitation by the United States. In act of defiance, the Iranian people overthrew a subservient ruler and replaced him with a theocratic republic capable of protecting the rights of the oppressed masses. The United States on the other hand is a country without a distinct ideology. American politicians do not conceptualize the world in terms of oppressors and the oppressed. With such radically different political views, Rubin believes the governments of
Iran and the United States will fail to reestablish formal diplomatic relations.\textsuperscript{18} Rubin’s view stands in stark contrast with this study’s interpretation of U.S.-Iranian relations, which identifies the Iranian nuclear program as the major source of contention between those two countries. Furthermore, Rubin conceptualizes the Iranians as irrational and emotionally driven state actor. This study seeks to present the Iranian government as a rational actor concerned with its own survival with a willingness to lessen hostilities with the United States to avoid direct military confrontation. Rubin’s work is filled with numerous unsubstantiated inferences on Iranian foreign policy towards the United States. His use of an intangible force as the independent variable, ideology, makes it very difficult to accurately measure. Western media, which are not concerned with empirical research and whose primary focus is to intrigue the average reader by stirring his emotions, provides most of what is known of Iranian political ideology. Subsequently, it is wiser to approach U.S.-Iranian relations with a more practical theoretical framework.

Intrigued by the paradoxes of the Carter administration during the Iranian hostage crisis, Dr. David Patrick Houghton uses political psychology to explain the decisions of President Carter in his book \textit{U.S. Foreign Policy and the Iran Hostage Crisis} (2001). Houghton’s work on the Iranian hostage crisis provides a great deal of insight into the formation and execution of Iranian policy. Houghton casts aside the notion of Khomeini as an irrational political figure by arguing he approved the taking of U.S. hostages to increase his popularity and power within the volatile revolutionary Iranian government. Upon the removal of the Shah from power, the revolutionary factions in Iran began competing for political supremacy. Khomeini’s supporters, who were merely a fraction of the revolutionaries, did not guarantee his ascent to power. Oddly,
those students that overran the U.S. embassy in Tehran were mostly Marxists. Some reports
describe Khomeini as troubled by the actions of the revolutionary students because of the
potential violent response by the United States. It was clear the Ayatollah was considering his
options in the matter. He could condemn the embassy takeover and hope the majority of the
revolutionary factions would support his decision. Yet if the other factions decided to support the
Marxists, the Ayatollah would have been ostracized from the revolution and easily eliminated.

During the early days of the revolution, anti-American sentiment was very high. When
the Carter administration displayed an eagerness to negotiate, Khomeini voiced his approval of
the taking of U.S. hostages in a bid to consolidate popular support for his quasi-government.
Rather than risk his neutrality with the Marxists by starting a power struggle over the U.S.
hostages, the Ayatollah encouraged their trust by approving of their actions.\(^{19}\) Additionally,
Houghton focuses on the policy decisions of the Carter administration in great detail. President
Carter did not automatically resolve to rescue the U.S. hostages but rather exhausted all other
options before resorting to the use of force. President Crater was working with his dovish
Secretary of State, Cyrus Vance, to peacefully resolve the situation in Tehran. After several key
attempts to diplomatically resolve the hostage crisis, even the most dovish advisors in the Carter
administration began urging, “enough is enough” in regards to diplomatic efforts to release the
U.S. hostages. President Carter was left with no alternative other than to embark on a military
expedition to release the hostages.\(^{20}\)

Amy Oakes (2010) expands on this notion by exploring peaceful policy alternatives to
conflict. Her theory will be explained in the next section. Another key point in Houghton’s
argument is the dangers of historical analogies. Carter’s advisors eagerly associated the Iranian
hostage crisis with Entebbe, a counter terrorist operation conducted by the Israeli commandos against terrorist hijackers of an Air France flight forcefully rerouted to Entebbe Airport in Uganda. They believed the mission would be a success. Those who spoke of the great dangers involved in the military rescue of the hostages were conveniently ignored. In fact, Carter labeled the mission as a “humanitarian effort” in a message to Congress. Houghton challenges the notion that both Iranian and American political actors acted irrationally throughout the Iranian hostage crises. This study expands on the notion of Iranian and American rationality. Both sides are expected to behave in a manner that is consistent with their personal experiences. Also, the Iranian side is not willing to resort to conflict if a viable peaceful alternative exists. The Iranian leadership is expected to weigh all of its options careful as the Carter administration did during the Iranian hostage crises. Similar to Khomeini during the first few days of the embassy takeover, the Iranian leadership of today will make rational decisions in regards to its foreign policy towards the United States to ensure its own survival. Houghton’s use of historical analogies in policy decisions is not suited for this study. Western scholars mainly use historical analogies to study western political leaderships. There is no conclusive evidence suggesting Iranian policy makers are influenced by historical analogies. Unfortunately, not much information is available on Iranian policy to accurately measure the role of cognitive scripts in Iranian foreign policy decisions.

Ali Ansari begins his analysis of the U.S.-Iranian relations with an overview of the diplomatic history between the two countries in his book Confronting Iran (2006). He sheds some light on the complex Iranian political system by defining the various factions in government. To the reader’s surprise, Ansari depicts an Iranian political system spilt into two
major factions reminiscent of those found in the West. In place of the classical conservative-liberal model, the liberal faction is substituted with the reformists who favor a strict abidance to the constitution and gradual social change through legal means. Furthermore, Iranian conservatives are less tolerant of social reform than their counterparts in the West. Nevertheless, these two political factions have been known to mimic their U.S. equivalents when it suits their needs; hence the emergence of the Iranian neo-conservatives as a distinct and organized political force after the 2003 U.S. invasion of Iraq. Despite their similarities with other Iranian conservatives, the neo-conservatives in Iran are more ideological than pragmatic. They also support economic measures so far to the left that one is tempted to label them as socialists. An example of a neo-conservative economic policy is the call for the radical redistribution of wealth. Favoring the maintenance of the political-economic status quo, the traditional conservatives have at times clashed with their neo-conservative rivals in the Majles. Traditional conservatives appeal to the sentiments of the country’s elite while the neo-conservatives ridicule this class and rely on the disillusioned poor for support. Neo-conservatives such as president Ahmadinejad revitalize the popular religious imagery that the Islamic Republic was built on. Neo-conservatives mobilize the poor urban dwellers by accentuating the wide gap between the social classes and presenting political issues as national struggles to exercise the inherent rights of the Iranian nation. A careful mixture of socialism and nationalism within an Islamic context is employed to maintain the support of the lower class. Neither the neo-conservatives nor the traditional conservatives are any more likely to give into foreign demands. The conservatives are staunchly opposed to foreign intervention in the internal affairs of Iran, which at times can be conceptualized quite controversially. A simple speech given by the U.S. President condemning
human rights violations in Iran can be interpreted as meddling in Iran’s domestic politics. Unlike the Americans, the Europeans are not looked upon negatively and are in a better position to influence the conservatives. On the other hand, Europe’s failure to be critical of the conservative domination of the Islamic government in Iran has pushed reformists toward the American camp. Appreciating the timely American condemnation of the conservative political elite, reformists are more open to communicating with the U.S. and often support diplomatic reconciliation. Additionally, Ansari affirms this study’s assertion on the Iranian nuclear program by stating it is the biggest obstacle to rapprochement. He also adds that the United States cannot be so critical of a nuclear Iran and the Iranian leadership must be less critical of the American interests in the Middle East. Negotiating with a reformist government can end the nuclear standoff between the two countries and help stabilize the region. Ansari’s assessment of Iranian foreign policy reveals a multitude of actors in constant competition with one another. The reformists appear to be more rational while the conservatives are still influenced by the Khomeini’s revolutionary legacy. He also portrays the American leadership in the same manner. Democratic Presidents are generally depicted as more diplomatic and fair in their dealings with the Islamic Republic while the Republican Presidents are portrayed as overly critical of Islamic Iran and dedicated to regime change as the only solution to the nuclear standoff. Ansari’s work is centered on the theme of factional rivalry in Iran and its role in Iranian foreign policy. The rivalry between the reformists and conservatives results in sending mixed signals to the United States. Under the reformists, Iran attempts to diplomatically engage the United States while conservatives appear to increase hostilities between the two countries. However, Ansari’s theory on U.S.-Iranian relations is too simple. He splits the Iranian political system between rational and irrational forces when the
reality tends to be more complicated. Political actors can have disagreements with members of their own faction and splits within factions can occur, which Ansari himself identifies by mentioning the neo-conservatives split from the conservative camp. Clearly, one faction must be less rational than the other but no method is given to measure the rationality of any one particular faction. Also, he presumes that the Iranian conservatives are irrational actors pushing their country closer to war with the United States. This study provides evidence to suggest that President Ahmadinejad is in fact successfully avoiding conflict with the United States. This suggests that the outspoken Iranian president is not as irrational as Ansari claims.

James Bill approaches the relationship between the U.S. and Iran in more tangible terms dealing with variables heavily reliant on the political realities of the times. Bill focuses on the lobby of the lucrative American oil trade in Washington and the various American political institutions. Although *The Eagle and Lion* (1988) is an older piece, it still provides a great deal of insight into the problems plaguing U.S.-Iranian rapprochement. Once again one observes the dangers of analogies plaguing the American side. Influential American businessmen and politicians who had close links with the Pahlavi family hindered efforts by pragmatic American policy makers to recognize the Islamic Revolution and hold talks with Khomeini. They wrongly believed that the Islamic Revolution grossly unpopular and the Iranian people would turn back to their King as they did in 1953. When it became blatantly obvious the Islamic Revolution was not in danger of being reversed, the business elite that had once been close allies of the Pahlavi family turned to U.S. policy makers to encourage reestablishing relations with Tehran. These individuals wanted access to Iranian petroleum so they could better regulate the international petroleum trade. Bill describes the American institutional rivalry as crippling to the cause of
rapprochement. While the State Department worked hard and diligently to lower anti-American sentiment in Iran, the National Security Council (NSC) along with the Central Intelligence Agency (CIA) attempted to undermine the Islamic Revolution in various ways. By planning an aborted coup attempt, recruiting Iranians inside Iran to provide information, and establishing links with Iranian moderates, the CIA and NSC inadvertently increased anti-Americanism among the revolutionaries of Iran. \(^{23}\) Institutional rivalry plays a key role in this study as well. In chapter three, the White House overruled the State Department’s stance on the Conoco deal with Iran. \(^{24}\) Throughout this study one will observe a struggle within the Iranian executive branch with Supreme Leader overruling the President’s foreign policy initiatives. Such rivalries limit the policy choices of the Iranian leadership. Unfortunately, Bill’s use of analogies cannot be applied to the Iranian side. As previously mentioned, the influence of analogies is arguable because it is not scientifically measured in Bill’s work. Furthermore, the role of historical analogies in Iranian foreign policy decisions is nearly impossible to measure due to the lack of research on Iranian political psychology. More importantly, Bill’s work focuses on the American side of the U.S.-Iranian relations. This study is focuses on how Iranian foreign policy is formed and applied towards the United States. Bill’s approach has some utility when applied to Iran such as institutional rivalry between various Iranian institutions. Yet for the most part, it is better suited to studying American foreign policy.

Steven Ward conceptualizes U.S.-Iranian relations in military terms. His book *Immortal* (2009) specifically focuses on the role Iran’s armed forces have played in both the foreign and domestic politics of their country. Similar to Ansari, Ward describes Iran’s current leadership as emotionally driven and crippled by xenophobia. Ward takes a step further than other authors by
asserting the Iranian leadership is heavily reliant on its unconventional military, the Islamic Revolutionary Guard Corps (IRGC), for support. The more ideological and paranoid the regime is of American intentions in the Middle East, the more dependent it becomes on the IRGC to maintain domestic stability. As time goes on, the Iranian people becoming less tolerant of the emotionally driven policies of their irrational rulers, which forces the leadership to empower the IRGC to deal with any serious security issues. The more the Iranian leadership relies on the IRGC for assistance in quelling internal dissent, the less time and financial power it has to dedicate to pursuing an aggressive foreign policy. Ward establishes a connection between the domestic and foreign policy in Iran, which is a major theme of this study. As domestic unrest increases in Iran, the less likely Iran will pursue a hostile foreign policy towards the United States. Ward’s description of the role of domestic unrest in Iran on Iranian foreign policy is very important to the methodology of this study. Domestic or social unrest in Iran is one of the independent variables that will be presented and operationalized later in this chapter. However, the specific role of the IRGC in quelling internal unrest will not be accessed in this study because it is not relevant to its theory. Some major issues in Ward’s research are the assertions that the Iranian leadership is irrational and its reliance on the IRGC for support. The IRGC is not the only military force in Iran capable of quelling an uprising. Iran’s regular armed forces could in theory reestablish order during times of popular demonstrations as well. Ward never explains the reason for political elites’ dependency on the IRGC as opposed to the regular Iranian armed forces. Also, the IRGC is still under the command of the Iranian executive branch. In theory, the IRGC is dependent on the Iranian leadership for orders and guidance. There is not much evidence to suggest Ward is correct about his theory of political dependency on the IRGC.
Although Shoon Murray’s work on the effects of popular perception of the ruling establishment is more relevant to U.S. domestic policy makers, it translates well into the realm of Iranian foreign policy. Murray discusses the reason behind the enduring Cold War attitudes of U.S. politicians on foreign matters in her book Anchors Against Change (2005). A direct link between the U.S. populace and the principal leadership is established by asserting that the general population in the United States still views the world as it did during the Cold War era. Consequently, the U.S. leadership promotes this outdated perspective by employing the Cold War paradigm whenever needed to attain popular support for a seemingly unpopular aggressive foreign policy. Values and morality shape the American political psyche and contribute to the shaping of perspectives on foreign affairs. Hence, the idea of using force against a seemingly evil regime oppressing its own people is warranted. Additionally, the view many American policy makers held about the Soviet Union is transferred to other unfriendly countries in the world. The idea that the adversary is fanatical, irrational, militant and uncompromising is projected upon any countries bold enough to defy American hegemony. Even if the adversary is completely apprehensive about utilizing the slightest bit of military might to defend its stance on a particular issue, the Cold War mentality of the U.S. leadership and people will create a very militant image of that country. Murray’s interpretation of U.S. foreign policy is relevant to the discussion of Iranian foreign policy towards the United States. Despite severing all ties with the United States, the Iranian leadership stills views the United States as irrational, militant, and ideologically against an independent Iran. Furthermore, the Iranian leadership and people originally conceptualized their Islamic Revolution as an emerging force capable of liberating developing Muslim countries from the influences of the American West and the Soviet East. The
Iranian leadership attempts to build a negative image of the United States for its own people. Pursuing an aggressive foreign policy against a militant, irrational, and imperialistic power is easily justified as a defensive strategy capable of receiving popular support. The biggest obstacle to applying Murray’s theory to U.S.-Iranian relations is the lack of data on Iranian political psychology. Similar to the works produced by Rubin and Houghton, Murray’s research on the enduring political paradigm of Cold War politics is not suitable to the study of Iranian foreign policy. Much like the problem with historical analogies, political paradigms are not easily identifiable in Iranian politics. Although already mentioned before, it is important to state once again that there is a lack of scientific insight on Iranian political psychology. If one cannot adequately identify political paradigms in Iran, one cannot hope to measure it.

*Political Diversions and Conflict Avoidance Strategy*

Even though the drums of war have not drowned the sounds of diplomacy between Iran and the United States, the prospect of armed conflict cannot be dismissed. Strangely, one is forced to look toward a theory of war in order to explain the dynamics of peace. The Diversionary Theory of War is one such theory capable of describing the factors that lead to both peace and war between two adversarial states. Scholars of this persuasion attribute armed conflict to the dwindling popularity of a leader. There can be variety of different reasons as to the cause of a leader’s unpopularity; a failing economy or poorly executed social policies to name a few.

Johnson and Barnes (2011) argue a state’s economic performance is the most significant factor in determining conflict with an adversary. According to their argument, both democratic and non-democratic leaders view economic matters with the utmost importance.
democracies, a leader will lose the faith of the populace if he or she fails to create or sustain economic prosperity. Similarly, non-democratic leaders do not want to lose the faith of their powerful supporters who place a great deal of emphasis on economic matters. Democratic leaders run the risk of not being reelected if the economy falters while non-democratic leaders face being overthrown in a coup or social upheaval.\textsuperscript{30}

Regardless of its cause, unpopularity threatens the continued rule of a leader. To evade domestic discontent with the political establishment, a leader will initiate or compound a conflict to distract the people from their problems at home, which is referred to as the Scapegoat Hypothesis.\textsuperscript{31} Successfully dealing with the conflict will also serve to raise a leader’s popularity. At times, the political establishment simply wants a diplomatic resolution to the conflict without resorting to war. However, certain parameters must be in place in order for the desired effect to come about. Levy (1993) refers to these factors as the Ingroup-Outgroup Hypothesis. A leader must rule over an identifiable group of people who already have a certain minimum level of cohesion. The people must be dedicated to their continued existence as a cohesive unit and they must be faced with a threat that endangers the entire group, not just the leadership. A prime example of the Ingroup-Outgroup Hypothesis is the rally around the flag effect, readily observable in the United States. When faced with a crisis, the popularity of U.S. president tends to increase regardless of the wisdom of his/her policies.\textsuperscript{32} That same logic can be applied to the Iranian nuclear program. One can argue that nuclear power is a vital national interest in Iran. Attaining nuclear power is not merely the goal of the Iranian government but of the Iranian nation. Hence, American condemnation of the Iranian government for not abiding by internationally recognized nuclear safeguards creates a rally around the flag effect. This occurs
because the ingroup, the Iranian nation, feels that the interests of the entire group is being threatened by the outgroup, the United States. Under the principles of the Diversionary Theory of War, it is expected the Iranian government will become more hostile towards the United States when the domestic situation in Iran is bad, which is an example of the scapegoat hypothesis.

A major shortcoming of the Diversionary Theory of War is its lack of insight into the behaviors of the targeted state(s). Reasonably, one would assume a threatened state would do everything in its power to avoid a conflict with a powerful aggressor. According to Strategic Conflict Avoidance, weaker-targeted states will develop strategies to avoid conflict with a militarily superior adversary. These weaker states determine the incentives the leaders of adversarial states have for starting a conflict with them. Generally they do this by utilizing the available data on the domestic socio-political and economic situation of the aggressor state. When economic conditions deteriorate and/or social unrest rises in the adversarial state, the likelihood of that state attacking a political rival increases. Thus, the potential targets of such a state will thoroughly observe the domestic situation of that country to avoid conflict. As the likelihood of conflict with an adversary rises, the target state will pursue a more docile foreign policy so as to not give its adversary an excuse to attack.\textsuperscript{33} Clearly it is easier to develop conflict avoidance strategies when dealing with democracies as opposed to dictatorships. The latter do not provide as much insight into its domestic political situation as the former. Consequently, the Iranian government is in an ideal position to develop an effective strategy to avoid open conflict with the United States. The domestic situation in America is easy to monitor due to the abundance of data available through various sources. This study expects the Iranian leadership to
closely monitor the domestic situation in the United States in order to develop the best strategy to avoid war.

Upon first glance, one is tempted to assert that the Diversionary Theory of War is only valid if the populace of the observed state is ruled by a democratic regime. Such an assumption stems from the idea that democratic leaders are the only ones susceptible to public opinion because they do not wish to be regarded as incompetent by voters. Hence, these leaders are willing to go to war to distract voters from their failed domestic policies. By initiating a conflict abroad and effectively dealing with it, these democratic leaders hope to change public opinion on their leadership skills. This tactic increases the people’s confidence in their leader and will likely lead to the reelection of that leader. In situations where reelection is not a possibility, the diversionary tactic generates a favorable perception of the political party associated with the competent leader.34 In countries without democratic regimes, public opinion is normally not valued by the ruling elite. Yet it would be a grave error to presume dictators are not troubled by economic and social tribulations.

As mentioned before, dictators depend on the support of powerful allies heavily invested in the economy. If the economy falters or the population rises in revolt, those economic interests will be threatened. It is unlikely that the powerful allies would stand idle and watch their investments fail. Thus, these wealthy individuals are likely to support a political contender who is capable of overthrowing the incompetent dictator.35 When autocratic states are faced with such a situation, there are a number of different policies they can pursue. First, they can launch a diversionary conflict, which is unlikely if the state cannot extract the required resources from society to commission the war. Second, they can reform the system to appease the dissatisfied
population. Third, they can choose to repress the unruly population by decreasing political-social freedoms and increasing domestic policing. Collectively, Amy Oakes (2006) refers to these options and the manner in which they are selected as the “Policy Alternatives Approach”. According to Oakes, no autocratic state will choose to launch a diversionary conflict as the first choice to dealing with domestic instability. States prefer to reform or repress the population as opposed to launching a costly and risky conflict. However, reformation and repression may not be viable options for certain states, which forces them to launch diversionary conflicts to effectively deal with domestic turmoil. Interestingly, these states are the least likely to be able to afford such conflicts. Oakes explains that states with no other policy alternatives will launch small military missions to deal with social unrest. Yet these small missions have the potential of turning into costly wars when the targeted state retaliates. Hence the desired effects of diverting public attention away from social problems, increasing national sentiment, or using the targeted state as a convenient external scapegoat will all be short lived. Argentine President Leopoldo Galtieri’s invasion of the Falkland Islands in 1982 is a prime example of how dictators will engage in diversionary war tactics when all other policy options are exhausted. The military rule in Argentina had become fragmented, diplomacy between Argentina and the UK had dragged on for seventeen years without a resolution, territorial disputes with Chile were becoming more frequent, and the looming domestic unrest in Argentina forced the President to take decisive action in the Falklands. This study utilizes the Policy Alternatives to explain Iranian foreign policy towards the United States. In situations where the Iranian leadership has exhausted all diplomatic channels to resolving the controversy surrounding the country’s nuclear program, a
hostile foreign policy will be pursued towards the United States. Yet Iran will only pursue such a hostile policy if no other options exist.

Chiozza and Goemans (2003) identify three main causes for diversionary conflicts, which include Gambling for Resurrection, the Scapegoat Hypothesis, and the Ingroup-Outgroup Hypothesis. The last two reasons have already been discussed. Gambling for resurrection refers to the government’s desire to demonstrate its competence in foreign policy after major domestic policy failures. When the government fails to significantly improve the economy or initiate social reforms domestically, it will seek to refocus the public’s attention to a successful foreign policy endeavor to prove it is competent. The Iranian nuclear program can be identified as both a domestic and foreign policy. Creating a sustainable form of energy relates to the domestic aspect of the Iranian nuclear program while attaining nuclear weapons relates to Iranian foreign policy. A nuclear Iran can use its nuclear capabilities to gain leverage over neighboring states to gain greater power in the Middle East. Considering Iran’s major policy failures in the past with the failed redistribution of wealth and the destructive Iran-Iraq war, the Iranian government seems to be gambling for resurrection with the Iranian nuclear program.

Graeme Davies (2008) discusses the relevance of the Diversionary Theory of War and Strategic Conflict Avoidance in U.S.-Iranian relations. He asserts that Iran is less likely to pursue nuclear technology when the American economy is performing badly and/or when U.S. presidential approval ratings are low. The reason for such a change in Iran’s behavior is attributed to the Strategic Conflict Avoidance. Iran does not want to run the risk of starting a war with the United States by giving the American president an excuse to attack. Once the U.S. economy recovers from a recession and U.S. presidential approval ratings significantly increase,
Iran resumes its nuclear activities. Also, Iran will not increase hostilities with the U.S. when protests reach critically high levels in the country. Mass social unrest in Iran forces the Iranian leadership to focus all its attention on reestablishing order. Davies’s approach is unique for two separate reasons. First, Davies analyzes the matter from both the Iranian and American perspectives as opposed to just focusing on the latter, which is often overemphasized in other similar studies. To date, there has been little research conducted on this topic from the Iranian perspective. Furthermore, Davies uses a fundamentally different approach to U.S.-Iranian relations that does not rely on intangible variables. One can easily measure the economic performance of the two countries, U.S. presidential approval ratings, and social unrest in Iran. Davies’s decision to measure Iranian foreign policy towards the United States based on Iranian nuclear activities provides readers with a better understanding of the topic. Too many scholars place emphasis on ideological differences between Iran and the United States. Yet such differences are not easily measured. Much of the work produced using political ideology on the matter is highly theoretical and inconclusive. Iranian nuclear activities can be observed and one can easily identify moments when Iran has cooperated with the United States as well as other western countries on its nuclear program. Additionally, both the Diversionary Theory of War and Strategic Conflict Avoidance presume state actors are rational. States are so eager to start wars solely over territorial or ideological disputes. They tend to engage in conflict when the legitimacy of the leadership is challenged by domestic factors. Usually those conflicts started by states are small and expected to end quickly. Most states prefer to settle the disputes they engage in diplomatically as opposed to resorting to violence. Successfully resolving a dispute without bloodshed has the same effects as winning a war. The people rally around the flag and become
easily distracted by the diplomatic victory of the government. This study dismisses the notion that either Iran or the United States is irrational. The governments of these countries are motivated by domestic factors affecting their ability to attain or maintain the confidence of their people. For such reasons, the Diversionary Theory of War and Strategic Conflict Avoidance are well suited for the study of U.S.-Iranian relations. Yet it is important to mention that no theory is perfect. The theories mentioned here also have their setbacks.

**Literature Gaps**

In the literature on the Diversionary Theory of War, one sometimes comes across the term Encapsulation, which refers to state unable to pursue an aggressive foreign policy because it is preoccupied with threatening levels of domestic unrest. The major issue with Encapsulation is the difficulty in measuring it. In order to qualify as Encapsulation, one needs to determine how long social unrest must last, how many people are involved in the unrest, and what percentage of the security forces are used to suppress it? These are difficult questions to answer and the literature on Encapsulation is severely limited. Those scholars that mention Encapsulation in their works treat it as a rival theory to the Diversionary Theory of War. Whether in the form of presidential unpopularity or social unrest, the Diversionary Theory of War suggests that domestic instability will increase the chances of a state engaging in an aggressive foreign policy. Encapsulation can be used to counter such an argument by stating critical high levels of domestic instability decreases the chances of a state pursuing an aggressive foreign policy. However, it is difficult to determine when domestic instability reaches such a critical high level. In order to avoid obscurity, Encapsulation will not be included as a variable in this study. When attempting to observe the role of the Diversionary Theory of War in Iranian foreign policy, one may
encounter situations when external forces are influencing Iran’s behavior towards the United States. Take for example the First Persian Gulf War and the 2003 Iraq conflict that took place years later. If at the time one observes a friendly Iranian foreign policy towards the United States, it is difficult to infer that domestic factors influenced Iran’s decision to lessen hostilities with its adversary. During such times, Iran’s positive behavior can be associated with the presence of U.S. troops in close proximity. Hence, external forces like U.S. military intervention can influence Iranian foreign policy. Despite these difficulties, this study will use the Diversionary Theory of War and Strategic Conflict Avoidance to analyze U.S.-Iranian relations in the same manner Davies did in his article.

Methodology

This study proposes that the economy along with political legitimacy play central roles in state behavior. Both the U.S. and Iran are concerned with their economic performances and popular perceptions of their regimes. Davies quantitative study will be retested using a qualitative approach. In place of measuring both inflation and unemployment as the measures of economic performance in the United States, this study will measure the gross domestic product (GDP) annual growth for both countries. Davies merely focuses on the American economy because he applies the Diversionary Theory of War only to the United States. This study diverges from Davies and tests the Diversionary Theory of War on Iran to see if that country behaves in a manner consistent with the theory. The GDP growth of Iran and the United States will be provided by the World Bank data source.

As mentioned earlier, Encapsulation will not be included in this study due to the difficulty in measuring that variable. Davies argues that Iranian hostility towards the United
States lessens when the American economy is struggling and/or U.S. presidential popularity is low. The reason for the change in direction of Iranian foreign policy is linked to the notion that the American president will commence an armed conflict with Iran to distract the American people from domestic difficulties. This study’s interpretation of Strategic Conflict Avoidance and the manner in which it is applied to Iran is consistent with Davis’s theoretical model. Data on U.S. presidential approval ratings will be taken from the University of California Santa Barbara’s American Presidency Project. This variable will be presented as the percentage of Americans who approve of the way the president runs the country subtracting by the percentage of those Americans who disapprove.

Due to the lack of valid research on Iranian presidential popularity, the study will focus on social unrest in Iran. Social unrest as defined by Oakes (2006) are popular demonstrations targeting the central government, strikes, work stoppages aimed at changing government policy, riots, and armed attacks against the government perpetrated by organized militant groups. These major protests will be documented from a number of sources including but not limited to organizations such as Amnesty International and the databases of the New York and Los Angeles Times.

Davies’s measured Iranian foreign policy towards the United States by observing instances of diplomatic engagement between Iran, the United States, the European Union (EU), China, and/or Russia on the Iranian nuclear program. Similarly, this study will observe diplomatic engagement between Iran, the United States, the IAEA, and/or the EU to discuss the Iranian nuclear program. Given that the interests of the IAEA and EU align with those of the United States in terms of the containing the Iranian nuclear program, Iranian willingness to talk
to the Europeans or allow IAEA inspectors to survey nuclear sites will be interpreted as a friendly Iranian foreign policy towards the United States. In addition to diplomatic engagement over the Iranian nuclear program, this study will also explore any instances Iran has shown a willingness to collaborate with the United States to help stabilize post-Taliban Afghanistan or post-Saddam Iraq, offered to end its support for Lebanese Hezbollah and Hamas in Gaza, awarded any government contracts to American businesses or apprehended terrorists hiding within its territory wanted by the United States or its allies. It is important to mention that the term terrorist is referring to any individuals that unlawfully use force and violence against persons or property to intimidate or coerce the United States’ government or the American population to further political or social objectives. Additionally, a lack of diplomatic engagement of any kind described here will be labeled as hostile because Iran has not taken any positive steps to improve relations with the United States. Information in regards to these various diplomatic engagements is provided by non-governmental organizations such as the Nuclear Threat Initiative, the IAEA as well as the archives of credible media sources similar to the ones listed earlier.

**Variable Relationships**

In his study, Davies identifies two relationships between the independent variables and the dependent variables. First, when either American economic performance and/or U.S. presidential approval ratings drop, the Iranian government becomes less confrontational towards the United States out of fear that the latter will employ diversionary war tactics against the former. When the value of those variables increases, the likelihood of Iranian hostility toward the United States increases accordingly. The relationship between American domestic factors and
Iranian hostility towards the United States is regarded as positive. Secondly, Davies suggests that when political instability increases in Iran, Iranian hostility towards the United States also increases. By using the United States as a scapegoat for its domestic troubles, the Iranian government is attempting to create a rally around the flag effect and lower internal unrest. Essentially the government diverts the attention of its dissatisfied populace and demonstrates its competence in foreign affairs.\textsuperscript{44} Thus, the relationship between Iranian political instability and Iranian hostility towards the United States is positive as well.

The study at hand also expects the relationship between U.S. domestic factors and Iranian hostility towards the United States to be positive. As U.S. GDP growth and U.S. presidential popularity increase, Iranian hostility towards the United States also increases. On the other hand, the relationship between Iranian domestic factors and Iranian hostility towards the United States is more complicated. An increase in Iranian GDP growth should lead to a decrease in Iranian social unrest, which will result in less Iranian hostility towards the United States. A drop in Iranian GDP annual growth should lead to an increase in Iranian social unrest and ultimately result in more Iranian hostility towards the United States. Furthermore, economic sanctions keep the Iranian economy from performing at an optimal level. However, there have been periods of relative economic prosperity when sanctions were relaxed. This occurred under the Khatami presidency.\textsuperscript{45} Sanctions can also be viewed as the result of foreign policy failures with the West. It is no different from misguided domestic policies that stifle economic growth. The people are likely to look at both of these situations in a similar manner. If the sanctions are imposed on Iran, the Iranian people may attribute this to the foreign policy failures of their government to effectively deal with the West. This would then increase the likelihood that the Iranian leadership
will increase hostilities towards the United States to distract its people and demonstrate its competency in foreign policy by successfully challenging a greater power. Stated plainly, sanctions lower Iranian GDP growth, which is likely to lead to an increase in Iranian social unrest. Hence, Iranian hostility towards the United States increases. All the independent variables are expected to have an additive effect on the observable dependent variable, Iranian policy toward the U.S.

Cases

This study is broken down into three cases focusing on Iranian foreign policy towards the United States. The first case is centered on Iranian moderate President Akbar Hashemi Rafsanjani’s two terms in office. One will observe the effects of American and Iranian domestic factors in determining Iran’s diplomatic engagement with the West on the topics previously discussed. Reformist Mohammad Khatami is the next case to be considered while Mahmoud Ahmadinejad’s government is the last to be assessed. The study concentrates on Iranian presidents as opposed to Iran’s Supreme Leaders for three main reasons. First, Davies concentrated on Iranian presidents because of their active role in foreign policy formation that will be discussed in the next chapter.46 Second, there has been only two Supreme Leaders in Iran. In order for variables to be properly measured, there needs to be variation. By studying two individuals and determining if they base their foreign policy decisions on American domestic factors greatly reduces one’s chances of observing variation. Third, there is simply not enough data on Iran’s Supreme Leaders to conduct a study involving them. Most of the information on Ayatollah Khomeini and Khameini is based on specific events and no practical information is available on the specifics of their foreign policy formulation as well as implementation.
Hypotheses

Naturally the hypotheses of this study are modeled after the hypotheses introduced by Davies (2008). His second hypothesis states that as the American economy struggles and/or U.S. presidential ratings fall, Iranian policy towards the United States becomes friendly to avoid armed conflict. Additionally, Iran will increase hostilities with the U.S. if the American economy is performing well and U.S. presidential popularity ratings are moderate to high. Davies links social unrest in Iran to an aggressive Iranian foreign policy towards the United States. In other words, Iranian social unrest increases the likelihood of Iranian aggression towards America.47

The study’s first hypothesis is as follows: Iran will be more likely to pursue a friendly foreign policy towards the United States if U.S. GDP growth drops and/or U.S. presidential approval ratings drop.48 Tehran’s theocratic regime scales back its hostility towards the United States at times when the American government is likely to engage in an armed conflict with an aggressor to increase its credibility in the eyes of its citizens. Alternatively, Iran will increase hostilities with the United States when U.S. GDP growth and U.S. presidential approval ratings increase. The first hypothesis of the study is centered around Strategic Conflict Avoidance while the other two hypotheses are based on the Diversionary Theory of War.
Table 2: The Study’s Hypotheses

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>X</th>
<th>Y</th>
<th>X</th>
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<tr>
<td>1</td>
<td>↓ U.S. Economy AND/OR ↓ U.S. Presidential Approval Rating</td>
<td>Friendly Iranian Policy toward the U.S</td>
<td>↑ U.S. Economy AND/OR ↑ U.S. Presidential Approval Rating</td>
<td>Hostile Iranian Policy toward the U.S</td>
</tr>
<tr>
<td>2</td>
<td>↓ Iranian Economy AND ↑ Social Unrest in Iran</td>
<td>Hostile Iranian Policy toward the U.S</td>
<td>↑ Iranian Economy AND ↓ Social Unrest in Iran</td>
<td>Friendly Iranian Policy toward the U.S</td>
</tr>
<tr>
<td>3</td>
<td>↑ Iranian Economy AND ↑ Social Unrest in Iran</td>
<td>Hostile Iranian Policy toward the U.S</td>
<td>↓ Iranian Economy AND ↓ Social Unrest in Iran</td>
<td>Hostile Iranian Policy toward the U.S</td>
</tr>
</tbody>
</table>

Reasonably one deduces that poor Iranian economic performance coupled with moderate to high levels of social unrest in Iran, increase the likelihood of Iran pursuing an aggressive foreign policy towards the United States. Therefore the second hypothesis of this study is as follows: Iran will be more likely to pursue a hostile foreign policy towards the United States when Iranian GDP growth decreases and when social unrest in Iran is increasing. If the Iranian GDP growth increases and social unrest is decreases, then it is expected that Iran will pursue a friendly foreign policy towards the United States. Iran will only engage in diversionary war tactics when the Iranian government has an incentive to do so. An economy performing at an optimal level with little to no social unrest will only increase the regime’s competency. So there is no need for the Iranian leadership to engage in risky foreign policy endeavors. Unlike U.S. domestic factors, the domestic factors of Iran are expected to move in opposite directions. Poor
economic performance is likely to increase social unrest. In case the domestic factors of Iran move in the same direction, a third hypothesis has been formed to address such an issue.

The importance placed on social unrest by Davies is vital. His second hypothesis is based on domestic unrest in Iran. Davies’s first hypothesis combines the effects of a bad Iranian economy and sustainable levels of social unrest in Iran, which he labels as political instability. In the words of Davies himself, “political instability within Iran increases the likelihood of Iranian aggression toward the United States”.\(^{49}\) Equally as important is the Diversionary Theory of War’s emphasis on economic factors. In addition to high social unrest, poor economic performance is expected to influence Iranian foreign policy as well. Consequently, hypothesis three of this study is as follows: Iran will be more likely to pursue a hostile foreign policy towards the United States when Iranian GDP growth and Iranian social unrest both increase. Similarly, Iran will pursue a hostile foreign policy even when the Iranian economy is performing badly and social unrest is decreasing.

*Specific Pairings*

Certain pairings may occur within this study that must be discussed. With situations where a struggling U.S. is paired with a struggling Iran, the expected observation in this case is a more cooperative Iran. For the sake of avoiding an open conflict with a struggling U.S., Iran is likely to pursue a friendly foreign policy towards the United States despite its own domestic situation. In cases where the Iranian economy displays signs of improvement and domestic instability is high, the same result is expected. Iran will always be expected to engage in Strategic Conflict Avoidance first before it considers any diversionary conflict. The reason behind such a peculiar behavior is related to the concept of extractive capabilities of states. In
order for a state to pursue an aggressive foreign policy it must have the ability to mobilize its nation’s material resources to achieve its objectives.\textsuperscript{50} A United States on the brink of launching a diversionary conflict is too dangerous to tempt with aggressive foreign policy objectives. Iran does not have the same extractive capabilities as its adversary and is likely to lose an armed conflict with the United States. Hence, the Iranian government will always consider Strategic Conflict Avoidance before any diversionary war tactics.

**Conclusion**

Beginning with 1989 and advancing to the present, the study at hand focuses on three distinct Iranian presidencies, Rafsanjani, Khatami, and Ahmadinejad. On the U.S. side, the administrations of Bush Sr., Clinton, Bush Jr., and Obama will be observed as well as paired with their Iranian counterparts. Major diplomatic engagements as defined earlier in this chapter between Iran and the United States will be analyzed to conclude if study’s hypotheses hold true. Before the variables can be placed to the test, some background information on the complex Iranian political system must be provided.

Subsequently, the first chapter analyzes the Islamic Republic’s political system and the method by which its foreign policy is set. The purpose of the first chapter is to acquaint the reader(s) with the political institutions in charge of Iran’s foreign policy as well as any relevant rivalries that influence Iranian foreign policy beyond the parameters of the study.

The second chapter covers the period from 1989 to 1996, which includes two U.S. presidents and one key Iranian president. Chapter two focuses on the pairing of Iranian President Ali Akbar Hashemi Rafsanjani with U.S. Presidents George W. Bush and Bill Clinton. In this period of U.S.-Iranian relations, little evidence is found to support the study’s hypotheses. Iran’s
behavior is inconsistent with Strategic Conflict Avoidance and the Diversionary Theory of War. The moderate president only attempted to reach out to the United States once during the Clinton Administration. Rafsanjani granted the American oil company Conoco an oil contract with his government. Unfortunately, the deal failed due to President Clinton’s apprehension to it.\textsuperscript{51}

Following up from 1997 to 2005 is chapter three’s analysis of the Khatami presidency. U.S. Presidents Clinton and Bush Jr. were paired with president Mohammad Khatami, the unconventional Iranian cleric with a reformist political agenda. Unlike his predecessor, President Khatami skillfully utilized the American media to introduce the idea of gradual rapprochement. Yet despite the numerous efforts by Clinton administration to reach out to the Khatami government, the outcomes were always disappointing.\textsuperscript{52} Surprisingly, it was president George W. Bush that compelled the Iranian political establishment to reevaluate its hostile foreign policy and seriously consider rapprochement as a viable option.

Chapter four focuses on the Ahmadinejad period starting from 2005 and spanning into the present. Initially, the eccentric Iranian president was well matched with president Bush Jr. as they both had a passion for provocative speech. Strangely tensions between Iran and the United States began to ease in this period despite the harsh rhetoric coming from Tehran. Iran continued its friendly foreign policy well into democratic President Barack Obama’s first term in office.\textsuperscript{53} In this era of Iranian politics, one finds a rather odd pattern of Iranian cooperation with the U.S. and other western countries. Such findings appear to be consistent with this study’s hypotheses at first glance. But upon further inspection, it appears Iran is merely pursuing a strategy of conflict avoidance to stall the Americans. Finally, the study concludes with an extensive analysis of its qualitative findings and recommendations for future research.
CHAPTER 1: THE MECHANICS OF IRANIAN FOREIGN POLICY

Despite its constant declarations as the patron Shiite state, the Islamic Republic of Iran sponsors a more revolutionary form of Islam that is foreign to the traditional rulers of the Middle East yet potentially appealing to the under-represented masses. In the early years of the Islamic Republic, Iranian foreign policy aimed to incite the poor of neighboring countries to rise up against their secular and/or pro-American leaders. Of course there was one exception in the form of Syria. Unlike Saddam Hussein, Hafez Assad was not aligned with the United States but received a great deal of support from the Soviet Union. Iran’s “Export the Revolution” policy soon became incompatible with state interests when the Iran-Iraq war came to an end. A more tolerant and pragmatic Iranian foreign policy had been formed under the Presidency of Ali-akbar Hashemi Rafsanjani. The president’s new foreign policy promoted trade with neighboring countries and tried to induce international investments in Iranian industries. Rafsanjani’s successor, Mohammad Khatami, promoted a similar type of foreign policy based on mutual understanding with traditionally adversarial states like the United States and improving ties with other western countries. With the election of Mahmoud Ahmadinejad in 2005, Iran abandoned its cultural contact with the West and returned to its original criticisms of American foreign policy in the Middle East. The shifts in Iranian rhetoric and foreign policy initiatives seem abrupt. To better understand how Iranian foreign policy is formed and implemented, it is necessary to review the power structure of the Islamic Republic.

The purpose of this chapter is to acquaint the reader(s) with the mechanics of Iranian foreign policy formulation and implementation. From a constitutional perspective, foreign policy is the responsibility of the Supreme Leader of the Islamic Revolution. Yet this does not mean
that Iranian presidents have not attempted to take control of the Supreme Leader’s foreign policy role. This chapter will begin with a general overview of the Iranian executive branch, explain the structure of power relations in Iran, distinguish the roles the Supreme Leaders and Presidents play in Iranian foreign policy, and conclude with a review of the information presented.

In this chapter, one will observe a power struggle between the Supreme Leader and President. The vagueness of the Iranian constitution creates the foundations of institutional rivalry within the executive branch. After merging the office of prime minister with the presidency, the Iranian presidents were granted a significant amount of new powers that could challenge the authority of the Supreme Leader. Another lesson of this chapter is the manner in which the Supreme Leader handles foreign policy. While the president is active in seeking out opportunities to interact with other states, the Supreme Leader is more reactive than active. Normally the Supreme Leader reacts to the foreign policy initiatives of other states as opposed to actively guiding foreign policy on a daily basis.

The Executive Branch

Although Iran is not a traditional dictatorship, with one easily identifiable individual commanding all the political affairs of the state, it still exhibits the trappings of an autocracy. Iran is best perceived as an elusive dictatorship. At the center of the political structure are the Supreme Leader and his trusted group of advisers. The Supreme Leader serves a life long appointment after being appointed by an elected body of Islamic scholars. At the moment of appointment to the role of Velayate Faghih, the Supreme Leader is supposed to be the highest-ranking jurisprudent or member of the Shiite clergy. Advisors to the Supreme Leader tend to be his close friends and family members. The higher the position people hold in the political
system, the closer their proximity to the Supreme Leader. Membership to the inner circle is very selective. Merit alone will not grant one access to the Supreme Leader. A person must be closely associated with the Supreme Leader or know someone who is already a trusted member of the inner circle. Those individuals in the inner circle tend to have had preexisting economic power before becoming a trusted confident of the Supreme Leader. The financial support of such individuals attributes to the stability of entire political system. Generally, the more economic power these individuals’ possess, the less likely the Supreme Leader can dispose of them. This is not to assert that very wealthy individuals never lose the favor of the Supreme Leader or are immune to state persecution. Within the leadership of the Green Movement, there are certain wealthy politically active individuals that were publicly denounced by the ruling elite in 2009.

Aside from the Supreme Leader, there is the president and his cabinet. Presidents are popularly elected for a period of four years with the ability to serve two consecutive terms in office. Similar to the Supreme Leader’s inner circle, the presidential cabinet tends to be comprised of the president’s close associates and friends. Members of the cabinet are nominated by the president and approved by the popularly elected Majles.

Power Structure of the Islamic Republic

Oddly, Iran’s Islamic constitution did not originally list out the specific powers of the Supreme Leader and president. It merely made the Supreme Leader the spiritual guide of the Islamic Revolution and responsible for providing the people with guidance on all matters. The president was made head of government and the one responsible for the country’s daily governance. Constitutional amendments in 1989 granted the president further power and made him the head of the National Security Council (NSC) and the one who appoints the Iranian
foreign affairs minister. These changes were made possible by abolishing the role of the prime minister and merging its powers with the presidency. Making the president the head of the NSC allows him to control military operations in times of both peace and war. Strangely, the amendments did not grant the president control of the armed forces. That power was given to the Supreme Leader who must also always confirm the decisions made by the NSC. Furthermore, the foreign affairs minister works with the president to form foreign policy initiatives, which must be approved by the Supreme Leader before they are implemented.63 There are also many different forms of foreign policy that were discussed in the previous chapter. For example, cooperating with the United States on stabilizing Afghanistan or Iraq, ending support for Middle Eastern terrorist groups, capturing terrorists hiding within national territory, and negotiating with the West on the Iranian nuclear program are traditional forms of foreign policy. Granting an oil contract to an American business is an indirect way of bringing Iran closer to the United States. Iranian presidents have a chance of engaging independent foreign policy initiatives by utilizing in the non-traditional forms of foreign policy. This gray era of Iranian power structure allows for presidential autonomy and the ability to challenge the Supreme Leader’s foreign policy role.

**Foreign Policy Roles**

Under Ayatollah Khomeini, the Supreme Leader’s foreign policy role was reactive as opposed to active. Close advisors and government officials would bring foreign policy initiatives to him for his approval. Also, the Ayatollah reacted to various situations in place of actively organizing and implementing them. Many scholars contended that Khomeini knew nothing of the plans to take over the American embassy and did not officially sponsor it until after he was certain the United States would not resort to military might.64 The current Supreme Leader has a
similar style of governance. Ayatollah Ali Khamenei rarely initiates foreign policy initiatives. Those are the work of either the Iranian president of foreign states wanting to reach out to Iran. The current Supreme Leader reacts to the foreign policy plans of others and if need be, makes changes to them to better suit his needs. As Supreme Leader, Khamenei must cater to the needs of those that support his rule. Generally, those individuals are more socially conservative than the rest of the Iranian population. These conservatives usually oppose collaborating with the United States on the grounds that it is fundamentally opposed to an independent and militarily strong Iran. Up until the election of President Ahmadinejad, Iranian presidents generally catered to the needs of their moderate or reformist minded constituents. These individuals are not opposed to reestablishing diplomatic ties with the United States but are inclined to favor it. Resuming ties with the United States would benefit these groups because they want more cultural contact with the American people as well as the opportunity to work with American business without the constraints of sanctions. Consequently, the Supreme Leader and the president have almost always been divided along factional loyalties since 1989. Such a state of affairs could lead to mixed signals from Tehran on diplomatic engagement with the West, which one is sure to observe within this study.

**Formation**

From the information presented thus far, it is easy to infer that the Supreme Leader does not form foreign policy directly. Foreign policy is set by the president with the help of his cabinet and then screened by the Supreme Leader. Changes can be made to the foreign policy plans or they could be completely aborted. Also, the Supreme Leader can always directly take charge of foreign affairs if he chooses. Throughout this study, one will observe the Iranian
presidents attempting to take charge of foreign policy through both traditional and non-traditional methods. Most of the traditional foreign policy initiatives failed because they did not receive the backing of the Supreme Leader. Nevertheless, the Iranian presidents are the key focus of this study for several distinct reasons. Clearly this study is rooted in Davies’s work on the Diversionary Theory of War in Iranian-U.S. relations. In that work, Davies focuses on Iranian presidents not the Supreme Leader. Other reasons for focusing on Iranian presidents are the lack of variation and data on the Iranian Supreme Leaders.

**Conclusion**

This chapter revealed the institutional rivalry between the Supreme Leader and the Iranian presidents. Going further, the institutions of the presidency and supreme leadership are prone to factional rivalries within the political system between the socially conservative politicians and their reformist minded rivals. Each of the two most important institutions in the executive branch, have their own supporters who tend to clash on a regular basis. The factional-institutional rivalry has a tendency of producing mixed signals from Tehran on diplomatic engagement with the West. Due to gray eras in executive power not addressed by the constitution, Iranian presidents have the ability to engage the United States through non-traditional methods such as business deals with American firms. Another lesson of this chapter is the manner in which the Supreme Leader handles foreign policy. Also, the Supreme Leader does not actively form foreign policy. His primary responsibility in foreign affairs is to review and if need be change the foreign policy plans of the president. It is rare to observe the Supreme Leader taking an active role in foreign policy. His role in foreign policy is primary reactive as opposed to active. He reacts to the foreign policy initiatives of the president and his cabinet.
CHAPTER 2: THE AGE OF PRAGMATIC POLITICS

The central focus of this chapter is the analysis the variables of interest to observe their additive effect on U.S.-Iranian relations in the Rafsanjani Era, which begins in 1989 and ends in 1996. Iranian President Ali Akbar Hashemi Rafsanjani was paired with two distinct American presidents during this era. Initially the Rafsanjani government dealt with President George H.W. Bush and then President Bill Clinton. Clearly, one cannot measure Iran’s role in stabilizing post-Taliban Afghanistan or post-Saddam Iraq during Rafsanjani’s presidency. However, the Persian Gulf Conflict of 1991 presented a good opportunity for the Rafsanjani government to collaborate with the Bush administration to oust Saddam Hussein from Kuwait. Thus, Iranian diplomatic engagement can also be measured by Iranian involvement with the expulsion of Iraqi troops from Kuwait and the reconstruction of that country. Furthermore, Iranian diplomatic engagement will also be measured through negotiations with the United States, Western Europe, and the IAEA on the Iranian nuclear program, the detainment of terrorists hiding within the Iran wanted by the United States or its allies, business deals between the Rafsanjani government and American firms, and withholding support to Hezbollah in southern Lebanon and Hamas in Gaza. This chapter begins with an overview of the President Rafsanjani and relevant political developments in Iran that occurred during his initial election. Next, the Rafsanjani-Bush period and Rafsanjani-Clinton period will be reviewed to observe any diplomatic engagement between Iran and the United States. After reviewing those periods, a policy alternative analysis will be conducted on Rafsanjani Era to determine if other viable foreign policy options existed other than the one that was pursued. Finally a conclusion is given summarizing the events that took place in this era.
An interesting point of chapter two is that the study’s hypotheses had little relevance in this era. There were only two points within this time period that Iran was not compelled to abide by the principles of Strategic Conflict Avoidance. In 1989 and 1996, the American economy and U.S. presidential approval ratings were both higher than in previous years. If warranted, Iran could have freely pursued an aggressive foreign policy without the fear of American military reprisal. In other words, the Rafsanjani government could have increased hostilities with the United States in an attempt to divert the public’s attention from domestic hardships. Yet during those years, the Iranian economy was higher than in previous years and there was an absence of social unrest. Iran had no need to pursue a hostile foreign policy towards the United States as a diversionary tactic. According to Hypotheses one and two, if the American and Iranian domestic situations are good, then Iran is expected to pursue a friendly foreign policy towards the United States. However, Iran did not partake in any diplomatically engagements of any kind. Subsequently, a lack of diplomatic engagements is regarded as a hostile Iranian foreign policy since no positive steps were taken to improve relations with the United States.

The Persian Gulf Conflict provided Iran an opportunity to help the United States expel Iraqi forces from Kuwait and help stabilize that country. President Rafsanjani decided to negotiate with Saddam to regain Iraqi-occupied Iranian territories lost during the Iran-Iraq war. In that year, the domestic situations of Iran and the United States were both bad. Each of the domestic variables had fallen in value except for social unrest, which actually increased. Despite Iran’s domestic troubles, the Rafsanjani government should have made an effort to diplomatically engage the United States not Iraq. This assumption exists because Iran would want to avoid conflict with a struggling United States. Perhaps the Iraqi invasion of Kuwait in
the year before led the Iranians to believe the United States would target Iraq if it were going to launch a diversionary war tactic. Iraqi occupation of an oil rich American ally made Iraq an easy target for the struggling Bush administration. Though it seems as if the Iranians were not influenced by the domestic affairs of the United States. The only time the Rafsanjani government diplomatically engaged the United States took place in 1995 when the American economy was struggling but U.S. presidential approval ratings were higher than the previous year. Iran’s economy had improved while social unrest increased. In that year, President Rafsanjani awarded a government oil contract to American business firm Conoco. The Clinton administration voided the deal as part of its containment policy on Iran. This instance of Iranian diplomatic engagement with the United States is merely an isolated event. In the Rafsanjani Era, Iran’s behavior is not consistent with the Diversionary Theory of War or Strategic Conflict Avoidance.

The Moderate President

With the election of President Rafsanjani, the political atmosphere in Iran greatly changed. Without the protection of Ayatollah Khomeini, the revolutionary radicals lost their political leverage over the moderate political factions. Consequently, the confrontational foreign policy pursued by Prime Minister Mir Hossein Moussavi was abandoned. Rafsanjani recognized detrimental effects of exporting the Islamic Revolution to all oppressed Muslim masses of the world. Aside from isolating Iran from the international community of nation-states, the export policy merely succeeded in establishing a relatively weak proxy in the form of Hezbollah. Rafsanjani recognized that the traditional supporters of the Islamic Revolution such as the merchants were becoming disenchanted with the government. Political isolation brought about
economic consequences for the Iranian people. Without the ability to export their goods abroad, the Iranian merchant class lost access to valuable foreign markets and suffered great financial setbacks. Furthermore, the prices of basic commodities were inflated due to the expansion of the Iranian black market. With the government imposing a rationing system on the country, Iranian businesses began illegally selling their goods to privileged individuals for inflated prices.\(^8\) In order to survive, the regime was forced to regain the faith of its original supporters by abandoning the revolution export policy and replacing it with a friendly foreign policy. The prospect of reestablishing diplomatic ties with the United States seemed good. Though the Supreme Leader, who was eager to align himself with the anti-American Iranian conservatives to gain more influence over the political system, became a potential source of contention. Ayatollah Khameini owed his position as Supreme Leader to President Rafsanjani. After Khomeini’s death, Rafsanjani used his political savvy and connections to build support for Ali Khameini’s bid to become the next Supreme Leader. In exchange for this support, Khameini had to back Rafsanjani’s new economic liberalization plans. Khameini quickly aligned himself with the conservatives to free himself from Rafsanjani’s political influence.\(^2\) It is within this political context that the study begins its variable analyses.

**George H.W. Bush and Rafsanjani**

To understand U.S.-Iranian relations in the Rafsanjani Era, one must look at the data provided in this study. An appropriate starting point is a glance at both the U.S. and Iranian domestic factors from 1989 to 1992. As is evident from Table 3, Bush and Rafsanjani had no reason to engage in diversionary war tactics for the sake of diverting the attention of their people. In Reagan’s last year in office, the U.S. GDP growth was 3%. President Bush successfully
maintained his predecessor’s growth rate and improved the public outlook on the U.S. presidency. In his final month in office, President Reagan only had a 34% approval rating. Near the end of President Bush’s first year in office, the U.S. presidential approval rating was 51%. After a horrific blow to its economy under the radicals, Iran was recovering quickly in the onset of the Rafsanjani era. The Iranian GDP growth had increased from -9% in the year prior to Rafsanjani’s election to 3% at the end of 1989. In terms of social unrest, Iran did not experience any popular protests, terrorist attacks, or conflict with any armed militant groups. At the end of 1990, the U.S. economy had only experienced a 1% GDP growth, which was a 2% decrease from the following year. U.S. presidential approval ratings dropped down to 35% at the end of 1990 as well. On the other hand, the Iranian economy experienced an increase of eight percentage points in GDP growth and no social unrest was reported.

Unfortunately for President Bush, the U.S. economy suffered a -2% GDP growth in 1991 and only a small percentage of Americans approved of their president. The Iranian economy had a 10% GDP growth, just 1% less than the prior year. Yet social unrest had spiked as well. In August, there were several key protests in Tehran, Tabriz, and Isfahan over growing discontent with the regime. Some of the protests escalated to arson attacks on government buildings and a few bombings. Baluchi insurgents located in the Sistan-Baluchistan province clashed with government forces in October. The insurgents killed eighteen guards, captured six more and seized military equipment from Iran’s elite IRGC. Near the end of 1992, U.S. GDP growth was 2% while Bush’s approval ratings decreased by 3%. Iran experienced an 8% decrease in its GDP and some more protests erupted in the summer. One of the protests took place in Tabriz where a few Iranian youths quarreled with security forces after a soccer match.
Three days of rioting ensued as Tabrizis took to the streets to protest against government imposed social restrictions. Shortly after the rioting in Tabriz, the city of Mashhad erupted in revolt. Local squatters had petitioned the city government to legalize their communities. When the city rejected their petition, the squatters began protesting and inspired others to join them. The rioting crowds became violent and began destroying buildings. Security forces were dispatched to regain control of the city. More than hundred buildings were destroyed, three hundred people arrested, and at least twelve protesters were killed.

Based on the information presented in table Table 5, the Rafsanjani government made no attempts to diplomatically engage in the United States, as defined by this study, in the Bush-Rafsanjani period. Aside from 1989, all other years in this period were marked by low U.S. GDP growth percentages and/or low U.S. presidential approval ratings. During such times, one would expect the Rafsanjani government to engage in Strategic Conflict Avoidance despite the domestic situation in Iran. In 1989, the domestic situation in the United States was good enough to ensure that Iran was not in danger of being targeted for a diversionary conflict. Iran could have increased hostilities with the United States to distract the attention of its people from domestic troubles. For better or worse, the domestic situation in Iran was also good in 1989. Hence, Iran had no need to engage in any diversionary tactics. 1991 was the year of opportunity for the Rafsanjani government. The United States was preparing to lead a military offensive against Iraqi troops in Kuwait and President Bush was building an international alliance to assist in the conflict. Unfortunately, Iran made no attempt to join the international coalition against Saddam Hussein. Instead, the Rafsanjani government negotiated with Saddam to regain territory lost to Iraq during the eight year Iran-Iraq war. In exchange, Iran would remain neutral in the conflict.
and allow Iraqi planes to be stored in Iran for safekeeping. The bad domestic situation of the United States was not enough to convince the Iranians to engage in Strategic Conflict Avoidance. It may have been that the Iranians felt secure from any sort of diversionary attack because Iraq proved to be the greater threat by invading Kuwait in 1990. Saddam had chosen to invade and occupy a strategic ally of the United States, Kuwait, which also happens to be a major oil producer. Another explanation for Iran’s lack of interest in diplomatic engagement is that the Iranians simply did not take the American domestic situation into consideration when developing their foreign policy agenda. The next section appears to substantiate this claim further in the Clinton-Rafsanjani period.

Clinton and Rafsanjani

President Bush left the White House after his election defeat to the democratic governor of Arkansas, Bill Clinton in 1992. In the following year, the Iranian economy suffered a significant set back, a negative growth in GDP while the U.S. economy retained its 2% GDP growth. At first glance, there does not seem to be any progression on the part of the U.S. economy. However one must keep in mind that a consistent growth is a sign of a solid economy despite how marginal the growth might appear. Surprisingly, U.S. presidential approval ratings dropped by four percentage points. Unlike the previous year, Iran did not experience any protests in 1993. In the subsequent year, U.S. GDP growth rose to 3% while Iran’s economy strained at -2%. Near the end of 1994, President Clinton’s approval rating was at a record low of 0%. Qazvin erupted in open revolt when the Majles refused to grant the city provincial status. The incident was a minor nuisance that posed no real threat to the domestic security of the country. Table 3 displays a 1% GDP growth for both the U.S. and Iran in 1995. President
Clinton had fared much better with the American people as 7% of the U.S. population approved of the president.\footnote{105} During the month of April, 50,000 people demonstrated for three straight days in Tehran’s southern Islamshahr district.\footnote{106} In 1996, U.S. GDP growth was at 5% and Iran’s GDP growth went up to 3%.\footnote{107} There were no reported protests in Iran and U.S. presidential approval ratings went up to 23% by the end of the year.\footnote{108}

Upon close examination of Table 6, one concludes that during this period the Iranians were not concerned with the domestic situation of the United States. In theory, President Rafsanjani should have pursued a friendly Iranian foreign policy towards the United States in every year of Clinton-Rafsanjani period. Yet the only instance of Iranian diplomatic engagement took place in 1995 when President Rafsanjani brokered a deal with American oil company Conoco to develop two offshore oil fields in Iran.\footnote{109} Conoco executives left nothing to chance on their side. They met with State Department Officials twenty-six times and were assured the deal would be approved. Contrary to the messages emanating from the State Department, President Clinton announced the Conoco deal was invalid because it was not consistent with the U.S. foreign policy.\footnote{110} The failed Conoco deal convenient fits into this study’s definition of Iranian diplomatic engagement with the United States. President Rafsanjani attempted to use a non-traditional method of foreign policy to improve ties between the United States and Iran. Unfortunately, American foreign policy at the time was to contain Iran not to collaborate with it.\footnote{111} The Rafsanjani government made no further attempts to reach out to the Clinton administration. It became very obvious that the United States was not interested in improving its ties to Iran. Nonetheless, Iran did not seem to be influenced by U.S. domestic hardship or even by its own domestic conditions. The single instance of cooperation during this period is not
enough to substantiate hypothesis one, Iran engages in Strategic Conflict Avoidance in relation to the United States. Additionally, there is no evidence that Iran engaged in diversionary conflict tactics during this period either. The following section will consider some policy alternatives to the hostile Iranian foreign policy pursued during the Rafsanjani Era.

**Factional Rivalry**

Khameini’s alignment with the anti-American conservatives would have made it nearly impossible for President Rafsanjani to overtly improve relations with the United States. The safest method of diplomatic engagement was through the Conoco deal. The Iranian conservatives are socially conservative but economically moderate. Although they dislike the politics of the United States, there are less likely to oppose an economic partnership with an American company. \(^{112}\) Rafsanjani’s cautious approach seemed most likely to succeed because it did not threaten the interests of the conservatives. Without the ability to directly approach President Clinton, Rafsanjani had to rely on the Conoco deal to bring Iran closer to the United States. Once it was rejected, Iran had no other option to improve ties with the United States other than to negotiate the terms of its nuclear program, which would have likely been blocked by the Supreme Leader to maintain the loyalty his conservative supporters. At the time Iran had no terrorists wanted by the United States or its allies living within its borders. The only other opportunity for diplomatic engagement occurred four years before the Conoco deal in the 1991.

**Persian Gulf Conflict**

Collaborating with President Bush in ousting Iraqi forces from Kuwait could have significantly improved Iran’s relationship with the United States. Given that Saddam’s Iraq was a long time enemy of Iran, the conservatives would have been less likely to oppose joining the
international coalition against Iraq. However, the Iraqi peace offer to Iran gave the Rafsanjani
government a foreign policy victory without resorting to conflict. Iran peacefully regained the
remaining territory it lost to Iraq and successfully avoided wasting much needed resources in
another war with Iraq.\textsuperscript{113} Unfortunately, the Rafsanjani government gave up its chance to display
a gesture of goodwill towards President Bush by joining his international coalition. Then again,
the Iranian people may not have supported their president’s decision to go to war with Iraq
because of the bad experiences of the Iran-Iraq War and the fear of Iraqi reprisal once coalition
forces left the region.

\textbf{Dual Containment}

Prior to President Rafsanjani’s re-election in August 1993, U.S. policy makers had
created a new foreign policy to be applied in the Persian Gulf region.\textsuperscript{114} The democratic Clinton
Administration knew Iran was a difficult country to deal with and desired nothing more than to
place it into a corner.\textsuperscript{115} Thus, the new foreign policy of Dual Containment was announced on
May 18 by Clinton’s foreign policy advisor Martin Indyk.\textsuperscript{116} By imposing sanctions on Iran and
Iraq, the Clinton administration hoped to change their undesirable behaviors. The formula was
quite simple. America would lift the sanctions when the countries exhibited desirable behaviors
and the sanctions would increase if they did not comply with U.S. desires. In the case of Iran, the
Islamic Republic was not allowed to pursue nuclear technology on its own accord, attain
advanced military technology or support Israel’s enemies in the Middle East. The Clinton
administration alienated President Rafsanjani by lumping Iran into same category as Iraq. This
action placed Rafsanjani at odds with the new Democratic administration in the United States
and strengthened the anti-American conservatives in Iran. Dual Containment strengthened the
conservative claim that the United States was dedicated to regime change in Iran. This policy was also the reason why the Conoco deal was canceled.118

Conclusion

As is evident from the findings of this chapter, the Rafsanjani government had few alternatives to pursuing a predominantly hostile foreign policy towards the United States. Once again the term hostile is referring to the fact that Iran is not engaging in any of the specified behaviors that would be defined as diplomatic engagement by this study. Joining the U.S. coalition against Saddam Hussein was the only other viable foreign policy option other than the failed Conoco deal. Since the Rafsanjani government was able to attain what it wanted from Saddam through peaceful means, there was no need to join the attack on Iraqi forces occupying Kuwait. Khameini’s alignment with the anti-American conservatives would have made any direct rapprochement effort with the United States very difficult. The likelihood of failure was too high and the Rafsanjani government was going to waste its time on foreign policy initiatives that had little chance of success. Another hurdle to rapprochement was Clinton’s Dual Containment policy that antagonized the moderates and strengthened the conservatives. Within the Rafsanjani Era, Iran does not seem to engage in diversionary war tactics or strategic conflict avoidance. Iranian social unrest does not seem to be a determining factor in Iranian diplomatic engagement with the United States. The Conoco deal was made during a time when Iranian social unrest had increased. All other factors being equal, increased social unrest should have increased Iranian hostility towards the United States. In this sole instance of diplomatic engagement, American GDP growth decreased. However, there were many other instances when one or both U.S. domestic variables had fallen in value and Iran did not engage in Strategic
Conflict Avoidance. Thus, Iran’s foreign policy was not influenced by American or even Iranian domestic factors. The Conoco deal is an isolated instance of Iranian diplomatic engagement that failed because it was incompatible with American interests at the time.
CHAPTER 3: LOST OPPORTUNITIES

Chapter three focuses on U.S-Iranian relations under Iranian president Mohammad Khatami and U.S. Presidents Clinton and George W. Bush. Labeled as a reformist politician, President Khatami attempted to lower hostilities with the U.S. and prove to the other members of the international community of nation-states that Iran could be a responsible member of their club. Unlike his predecessor, Khatami brought about social reforms to ease the legal restrictions on western style clothing, music, and public fraternizing between the sexes. In the foreign policy realm, the reformist president worked closely with the Supreme Leader to strengthen Iran’s ties to neighboring states and discontinue smuggling Iraqi oil through Iranian waters. Khatami even went a step further and publicly announced his wishes for better relations with the U.S., referred to as the “Great Satan” by Iranian politicians since 1979. With a receptive Iranian president in power, one would expect to observe Iran pursuing a friendly foreign policy towards the U.S. under the right conditions. This chapter begins with an overview of President Khatami, analyzes the two period of the Khatami Era, review some policy alternatives to the foreign policy pursued by Iran at the time, and concludes with an overview of the lessons learned from this chapter.

Up until 2001, there was very little diplomatic engagement between Iran and the United. The 911 terrorist attacks provided the Khatami government with an opportunity to improve Iranian relations with the United States overtly with little resistance from the Supreme Leader. Iranian leaders feared the administration of George W. Bush would be less tolerant of uncooperative Iran. Also, the Sunni fundamentalist Taliban regime was radically anti-Shia as well as anti-Iran. During the late 1990s, Iran nearly went to war with Afghanistan over the
shooting of Iranian diplomats in Mazar Shariff by Taliban forces. Removing a major threat to Iran’s security interests was acceptable to all Iranian political factions. Consequently, Khatami pledged Iran’s assistance to the United States in toppling the Taliban regime and to help stabilize a post-Taliban Afghanistan. President Khatami followed through with his pledge by providing logistical military support to coalition forces fighting in Afghanistan, giving money towards the reconstruction of Afghanistan, granting food aid to the Afghan people, capturing and extraditing Al-Qaeda terrorists hiding in Iran and wanted by Saudi Arabia, a key U.S. ally in the Middle East. In the following year, President Bush called Iran an “Axis of Evil” for supporting Middle Eastern terrorist groups and pursuing nuclear weapons. Iran did not continue pursuing a friendly foreign policy towards the United States. No further diplomatic engagements took place between the two countries in 2002. When the Bush administration launched Operation Iraqi Freedom, the Khatami government quickly began cooperating with the IAEA, the EU and the United States on its nuclear program. Shortly after the toppling of Saddam Hussein’s regime in the spring, Iran sent a letter to the Bush administration expressing a willingness to fully cooperate on the nuclear program and to terminate Iranian support for Palestinian and Lebanese militant groups. The Bush administration rejected the offer because of its perceived lack of sincerity. In 2004, Iran made an agreement with the five permanent members of the UN Security Council and Germany to temporarily suspend all uranium enrichment. In all three years of Iranian cooperation, either the American economy was struggling or U.S. presidential approval ratings were low. Furthermore, the Iranian economy would move in the same direction as social unrest. When Iranian GDP growth dropped, social unrest dropped as well and vice versa. Despite its domestic challenges, Iran appears to have pursued Strategic Conflict
Avoidance in 2001, 2003 and 2004. Then again, Iran’s diplomatic engagements with the United States could have been inspired by actual danger as opposed to a perceived threat stemming from the possibility the Bush administration would launch a diversionary conflict against Iran. Stated differently, Iran’s Strategic Conflict Avoidance was not based on U.S. domestic factors but on U.S. military aggression against neighboring countries.

The Reformist President

President Rafsanjani’s economic reforms and pragmatic approach to foreign policy completely changed the political atmosphere of Iran. Prior to the rise of pragmatism, Iranian politics, both domestic and foreign, were plagued by revolutionary radicalism. From an economical perspective, the country was driven to the far left while socially Iran was pushed to the far right. Advocating for economic and social liberalization was tantamount to treason. Rafsanjani’s close relationship to Khomeini and his revolutionary credentials placed him in a unique position to advocate for economic change without incurring the wrath of the radicals. Also, the failures of the economic policies pursued by the radicals disillusioned their supporters and politically isolated them. Consequently, there was a lack of organized opposition to Rafsanjani’s reformation. Yet the pragmatic president showed little interest in challenging the conservative social policies enacted by his predecessors. His disinterest in social matters can be attributed to delicate balance of power between the socially conservative politicians backed by the Supreme Leader and the moderates. In order to enact his economic liberalization plan, he could not afford to upset the conservative faction. Under the Rafsanjani government, another political faction had formed that believed in easing social restrictions and reestablishing relations with the United States. This faction became know as the reformists. Form their perspective better
relations with the U.S. are in the best interest of Iran. Continuing hostilities with countries like the U.S. will only weaken Iran by making it the target of economic sanctions and military reprisals. After receiving the financial backing of his fellow reformists, Mohammad Khatami ran in the 1997 presidential elections and won a landslide victory against the conservative candidate Ali Akbar Nategh-Nuri. Khatami’s election victory concerned the conservatives who feared losing their influence over Iranian society. Unlike Rafsanjani, Khatami was part of a political faction that openly challenged the conservatives on social issue and foreign policy. This laid the foundation for disputes to arise between the reformist president and the conservative Supreme Leader.

Clinton and Khatami

In 1997, American GDP growth was at a steady 3% but the U.S. presidential approval rating had dropped by four percentage points to 19%. Iran did not fair much better with a GDP growth of 1% compared to the strong 5% growth it experienced in 1996. Similar to the year before, no social unrest was reported in Iran for 1997. The U.S. presidential approval rating had risen to 29% by the end of 1998 and the U.S. economy remained steady with a 3% GDP growth. Iran’s domestic situation remained relatively stable as well. The Country’s GDP growth was still 1% and no reports of social unrest were reported in 1998. Although the GDP growth rates of Iran and the U.S. did not rise above the previous year’s figures, they did not fall either. A sustained growth is a sign of a durable economy and will be considered as an increase for the purpose of variable measurement.

In 1999, the Clinton administration asked the Khatami government to hand over several individuals suspected of bombing the Khobar towers to Saudi Arabia. The Supreme Leader
quickly took control of the situation and directly responded to the Clinton White House with a harsh rejection.\textsuperscript{137} During that time, U.S. GDP growth increased to 4\%\textsuperscript{138} while the U.S. presidential approval rating went down to 22\%.\textsuperscript{139} Iranian GDP growth was at zero and social unrest peaked in the summer. In early July, the reformist newspaper \textit{Salam} was closed down by government forces loyal to Khameini. Immediately college students in Tehran organized a mass protest against the closing of \textit{Salam}. On July 9, anti-riot police along with vigilante groups attacked the Tehran University dormitories and killed four students. The following day, 25,000 college students staged a sit-in at Tehran University in an attempt to bring attention to the attack and force Tehran’s police chief to resign for authorizing the use of fatal force. By the twelfth of July, demonstrations erupted in eighteen major cities including but not limited to Gilan, Mashhad, Tabriz, Yazd, Esfahan, Shiraz, and Ahvaz. Demonstrators demanded freedom of the press, constitutionally protected personal liberties, the release of political prisoners, and an end to vigilante justice. Security forces regained control of the cities after five days of demonstrations.\textsuperscript{140} Regardless of Iran’s struggling economy and rising popular protests against the government, Iran should have engaged in Strategic Conflict Avoidance as U.S. presidential approval rating had dropped. The Iranian leadership could have taken advantage of the opportunity to cooperate with the United States by seizing the terrorists residing in the country. Clearly the Supreme Leader did not desire to cooperate with the United States. It could have been that the individuals the United States wanted apprehended were close allies to the Iranian conservatives. Khameini did not want to alienate his supporters by allowing President Khatami to detain and extradite the allies of his supporters. Since the incident took place before the
protests began, social unrest had no influence over Iran’s decision not to diplomatically engage the United States.

In 2000, the Clinton administration removed some of the economic sanctions imposed on Iran following a speech given by Secretary of State Madeline Albright. Astonishingly, she publicly acknowledged two distinct American errors in its dealings with Iran. The first was the CIA’s role in the 1953 coup that overthrew Mohammad Mossadegh and helped restore the Shah to power. Second was U.S. support for Iraq during the Iran-Iraq war.\textsuperscript{141} The Supreme Leader once again took on the responsibility of drafting a negative response.\textsuperscript{142} It is not very clear why the Supreme Leader did not want to positively react to the Clinton administration’s gesture of good will. Based on Table 10, the U.S. GDP growth dropped in 2000 while the U.S. presidential approval rating had increased. On the Iranian side, GDP growth was at 3% and no social unrest was reported. Subsequently, the Khatami government should have displayed an interest in engaging the United States to avoid being a target of an American diversionary attack. Iran had no reason to increase hostilities with the United States for the purpose of creating a diversion. The country’s domestic situation was stable.

During the Clinton-Khatami period, one fails to observe Iran engaging in Strategic Conflict Avoidance. Much like all other previous years, Iran did not engage in any diversionary war tactics either. Iran’s refusal to turn over wanted terrorist to Saudi Arabia was attributed to Khameni’s dissent. It is likely the Supreme Leader did not want to upset his close supporters by betraying those allied to the conservative faction. Khameini’s decision to responded negatively to Albright’s expression of regret for two major Iranian grievances against the United States is perplexing. The Clinton Administration placed itself in a vulnerable position by partially
admitting to the failures of past U.S. policies on Iran. Perhaps the Supreme Leader was not convinced Secretary Albright was being sincere in her gesture if President Clinton shared the same opinion.

George W. Bush and Khatami

The 2000 U.S. presidential elections was one of the most anxious moments of American history. President George W. Bush’s narrow victory over former vice president Al Gore came after an extensive legal battle between the two candidates over a recount of the popular votes in the state of Florida. Two important U.S. Supreme Court rulings canceled the mandatory recount in Florida and confirmed George W. Bush’s electoral victory. Meanwhile in Iran, the incumbent reformist president was seriously contemplating whether to run for reelection in the summer of 2001. Khatami’s was frustrated by Khameini’s obsessive oversight, especially in regards to foreign policy. Disillusioned by Khatami’s inability to deliver on his promises of “Islamic Democracy” and increased social liberalization, many young Iranians stopped vocalizing their support for the incumbent. At the last possible moment, Khatami registered as a candidate for the elections and won 77% of the popular vote in June. News of his reelection failed to incite a response from the Bush administration.

In 2001, U.S. GDP growth had dropped to 0% while the U.S. presidential approval rating was at 75%. Iran experienced a 1% drop in its GDP growth and no social unrest was reported. During this year, the tragic events of 9/11 unfolded. Shortly before the terrorist attacks, the State Department had published a report referring to Iran as the “most active state sponsor of terrorism”. When the Bush administration was building an international coalition to confront the Taliban protectors of Osma bin Laden in Afghanistan, the Khatami government expressed
great enthusiasm for ridding Afghanistan of the Taliban threat. During the late 1990s, Iran nearly went to war with Afghanistan over the shooting of Iranian diplomats in Mazar Shariff by conquering Taliban forces. Iran was one of the few neighboring countries very willing to cooperate with the United States to bring down the Taliban. No one in Tehran could deny the importance of collaborating with the United States on the matter of Afghanistan. First, the Iran had already been identified as a major threat to U.S. security interests in State Department report. Secondly, the Taliban was a threat to Iranian security interests as well. Consequently, Iran offered to mediate between the Northern Alliance and the United States to convince the former to join forces with the latter. Furthermore, Iran agreed to rescue American pilots in distress near its eastern border, and allow for 165,000 tons of U.S. food aid to pass through its territory on route to Afghanistan. At the Bonn Conference on rebuilding Afghanistan, Iranian diplomats convinced Northern Alliance leader, Burhanuddin Rabbani, to relinquish his claim over Afghanistan in favor of a pro-American Hamid Karzai. Following the conference, Iran pledged 560,000,000 USD toward the reconstruction of Afghanistan. After the U.S. led invasion of the country, a few Saudi Al-Qaeda members fled from their bases to Iran where they were detained and extradited back to Saudi Arabia by Iranian security forces. In these instances of Iranian diplomatic engagement, one observes Iran helping the United States get rid of the Taliban and then stabilizing Afghanistan. Also, Iran extradited several American wanted terrorists to Saudi Arabia. Though it seems likely that Iran had decided to pursue a friendly foreign policy towards the United States out of fear it would targeted by an aggressive foreign policy following 911 and it was in Tehran’s interest to rid Afghanistan of the Taliban. Hence, it was a combination of both
Strategic Conflict Avoidance and the pursuit of mutual interests that resulted in a friendly Iranian foreign policy.

Astonishingly in 2002, the Iranian economy experienced a 6% growth in its GDP and the U.S. GDP growth increased by a single percentage point to 1%.\textsuperscript{150} The U.S. presidential approval rating fell down to 29%.\textsuperscript{151} In early July 2002, Iranian students held protests commemorating the anniversary of the 1999 student uprising.\textsuperscript{152} Later in the November, Hashem Aghajari, a prominent reform-minded academic, was sentenced to death for publicly supporting religious and political reform. The event sparked the largest student protests since those of July 1999.\textsuperscript{153} From December seventh to the tenth, student protesters held campus referendums on the legitimacy of unelected institutions that wield great power in the country’s political system. Iranian security forces and members of the Basij militia attacked a crowd of 10,000 demonstrating in solidarity with student protestors in Tehran. The massive crowds kept demonstrating amid further assaults from security forces.\textsuperscript{154}

In 2003, U.S. GDP growth had gone up to 2%\textsuperscript{155} but the U.S. presidential approval rating had fallen to 28%.\textsuperscript{156} Iran sustained its 6% GDP growth\textsuperscript{157} and social unrest in Iran increased. From June tenth to the eighteenth, university students across Iran staged nightly protests in response to rising college tuition and plans to completely privatize public education at the college level. Not before long, thousands in Tehran, Mahshad, and Mazandaran were shouting for more democratic reforms as well as social freedoms. Some protestors clashed with riot police as they called for the death of Khamenei. The protestors were heard denouncing President Khatami for failing to democratize the political system.\textsuperscript{158} A major development in Iranian diplomatic engagement occurred after U.S. forces invaded Iraq on March 20, 2003. In early May,
the Bush administration received an offer from Iran to initiate a broad diplomatic dialogue. The offer was communicated to the Near East Bureau of the State Department in a fax from the Swiss ambassador to Tehran, Tim Guldimann. Impressively the two-page document had been sent with the blessings of Ayatollah Khameini. It was the first time that an Iranian offer had been officially sanctioned by the Supreme Leader. The language of the offer was concise. It indicated that “everything was on the table” including full cooperation on the nuclear program, official diplomatic recognition of the state of Israel, and the termination of Iranian support for Palestinian and Lebanese militant groups. The outreach was characteristically discrete to avoid any possible dissent from their allies in southern Lebanon and the Palestinian territories. Vice president Dick Cheney and Deputy Secretary of Defense Paul Wolfowitz believed the offer was an act of desperation on the part of Tehran. U.S. forces had just taken Baghdad and the administration was acting on the belief of a New Domino Theory adjusted from its Cold War predecessor to suit the needs of the modern age. The theory stated that once one autocratic state fell to democracy, the others would succumb as well. Wolfowitz especially felt as though whoever made the overture was not in a position to make such an offer or deliver on any of its promises. Other members of the Bush administration like Colin Powell were not convinced Tehran’s overture was sincere. There was also a belief that the regime in Iran was on the verge of falling. Negotiating with a weak regime would have been pointless. Consequently, no response was given to Tehran and a letter of complaint was sent to Guldimann for transmitting the message.

Interestingly, Iran began divulging more information in regards to its nuclear program. Tehran informed the IAEA of its gas centrifuge enrichment facility at Natanz and the heavy-
water production plant in Arak. IAEA inspectors were allowed to those sites in the summer. Tehran also began negotiating with the EU as well. On October 21, Iran signed an agreement with France, Germany, and the UK to adopt a voluntary new measure to eliminate suspicions about its nuclear activities. Tehran agreed to cooperate fully with IAEA inspections, sign an Additional Protocol on nuclear non-proliferation, and voluntarily suspend enrichment activities. Under the Additional Protocol, Tehran is required to provide the IAEA with an expanded inventory of nuclear activities and greater access to sites to verify Iran’s status as a non-nuclear-weapon state under the NPT. In the following month, Iran officially announced it suspended all uranium enrichment and that it would allow for tougher IAEA inspections of its nuclear facilities. Later in November, another round of IAEA inspections failed to reveal any further uranium particles, which led the organization to prematurely conclude that there was no evidence of an atomic weapons program.

In 2004, the U.S. presidential approval rating fell down to 3%. Based on Table 7, the U.S. economy showed a meager improvement from the previous year. Fortunately for the Iranian leadership, no new protests broke out and Iranian GDP growth had dropped down to four 4%. In the month of June, Tehran began negotiating with the P5 + 1 group, which consisted of the five permanent members of the UN Security Council in addition to Germany. In November, Tehran finally concluded a deal with the P5 +1 group. Iran agreed to seize uranium enrichment until 2006 at which time it would have to commence serious negotiations with the group.

The Bush-Khatami period is the turning point of this study on U.S.-Iranian relations. President Khatami actively reaches out to the United States to assist with Taliban Afghanistan and then he attempts to establish a permanent peace with the Bush administration. One also
observes Iran cooperating on its nuclear program with the EU, IAEA, and the United States. In this period, Iran fulfilled all the various types of diplomatic engagements defined early in this study. Yet 911 placed the Khatami government on the defensive. Iran was not in a position to dictate the conditions of peace. The Bush administration had the upper hand and it saw no need to negotiate with a weak government. In the following sections, some policy alternatives will be assessed.

**Factional and Institutional Rivalry**

The factional divide between Khatami and Khameini created a very tense situation in Tehran. When President Clinton asked the Khatami government for assistance in apprehending terrorists linked to the Khobar Tower bombings in Saudi Arabia, the Supreme Leader demanded President Khatami send it a copy of his response for clarification purposes. As expected, Khameini demanded Khatami make revisions to his response because they were not critical enough of U.S. foreign policy. Regardless of the changes made to the response, Khameini would not deem it suitable for delivery. Eventually the president gave up and the Supreme Leader’s office drafted a suitable response that denied the allegations and accused the U.S. of terrorizing Iran for shooting down the Iran Air flight in 1988 and supporting Iraq during the Iran-Iraq war.\(^{168}\) Khameini was probably worried about upsetting his conservative allies if he allowed Khatami to apprehend the wanted terrorists. Such a move would have severely weakened the Supreme Leader’s support base. To protect his own political interests, Khameini decided not to diplomatically engage the United States.

Soon after, Secretary Albright publicly acknowledged two distinct American errors in its dealings with Iran. The first was the CIA’s role in the 1953 coup that overthrew Mohammad
Mossadegh and helped restore the Shah to power. Second was U.S. support for Iraq during the Iran-Iraq war.\textsuperscript{169} It was a remarkable display of goodwill by any American politician toward Iran. With the radicals constantly citing Operation Ajax as the primary reason for the severing of diplomatic ties with the U.S, the political tide was sure to turn against them. Unfortunately, the OSL took issue with the words “unelected hands” in Albright’s speech. The Secretary of State had referred to the behavior of the unelected political institutions of Iran as detrimental to a U.S.-Iranian rapprochement. Khatami was once again relieved from his duty of drafting a response. The Supreme Leader’s office responded directly to the White House with its usual criticism of the past U.S. foreign policy in the Iran.\textsuperscript{170} In the this case, the Supreme Leader could have allowed Khatami to respond with a gesture of good will towards the United States without fear of alienating his conservative supporters. Yet it seems that either the Supreme Leader saw no use in dealing with an American administration on its out or he wanted to keep the reformists president from gaining too much power. Granting Khatami autonomy to pursue good relations with the United States would have given the Iranian president de facto power to set foreign policy.

The Lack of Leverage

911 drastically changed Iran’s position on diplomatic engagement with the United States. Its pursuit of nuclear technology, support for Middle Eastern terrorist groups, and its unwillingness to capture terrorists hiding in Iran wanted by the United State, made Iran a potential target of a terrorized America. Iranian support for toppling the Taliban regime in Afghanistan ensured the United States would not target Iran for that particular time. President Khatami needed to take more steps to gaining the confidence and trust of the Bush administration. Iran should have initiated a broad diplomatic dialogue to the United States soon
after invasion of Afghanistan not in May 2003. This would have helped convince U.S policy makers that Iranian cooperation on Afghanistan was not merely a coincidence of interests but the start of greater diplomatic engagement with Iran. By waiting until Iraq was invaded to initiate a grand diplomatic engagement covering every American grievance against Iran, the Khatami government placed itself in a compromising position. The Bush administration viewed the offer as a desperate attempt to keep the Islamic Republic safe from U.S. military aggression. It is important to address why the Khatami government should have made its grand diplomatic engagement in 2001 and not 2002. At the State of the Union Address of January 29 2002, President Bush referred to Iran, North Korea, and Iraq as the “Axis of Evil”. The president’s choice of words was based on the fact that these three countries were supporters of global terrorism and they were developing WMDs. Any diplomatic engagements made after that incident would make the Iranians seem desperate. The Americans would see no need to make deals with a desperate regime whose cause of desperation is its inability to defend against a U.S. military invasion. Iran’s lack of political leverage made it an easy target of the United States.

Conclusion

The turning point of this study is identified as September 11, 2001. This is the moment when Iran starts its diplomatic engagements with the United States. Davies also identifies the post-911 period as the moment when cooperation between Iran and the United States significantly increased. There is no evidence to suggest Iran engaged in diversionary war tactics during the Khatami Era but there is evidence to support that Iran engaged in Strategic Conflict Avoidance when regime survival was seriously threatened. Another important lesson taken from this chapter is that Iran also collaborates with the United States when its interest to do
Toppling the Taliban regime in Afghanistan had two advantages for Iran. First, the United States would be less likely to attack Iran if it had a use for it. Second, ousting the Taliban from Afghanistan meant removing a threat to Iranian security interests. The period prior to 911 had two missed opportunities to diplomatically engage the United States. This chapter identifies the Supreme Leader’s role in wasting those opportunities. Khameini was not willing to upset his conservative supporters by turning over terrorists allied to Iranian conservatives. In the second instance, Khameini may have felt as though the Clinton administration would not be able to negotiate a diplomatic resolution in the little time it had left. Perhaps Khameini was unwilling to give Khatami so much authority over foreign policy as to diplomatically engage the Clinton Administration directly. One again, Iranian foreign policy does not seem to be influenced by the domestic affairs of the United States or Iran. Iranian Strategic Conflict Avoidance appears to be based on the projection of American military might against neighboring countries. The U.S. invasion of Iraq in 2003, prompted the Iranians to try to negotiate a variety of different issues with the United States. At that point, the Bush administration viewed the Iranian offer as a desperate attempt to keep the Islamic Republic safe from U.S. military aggression. The Bush White House saw no urgency in dealing with Iran.
CHAPTER 4: THE GREAT DIPLOMATIC STATLEMATE

The Ahmadinejad Era of U.S.-Iranian relations is interesting yet perplexing in terms of Iranian diplomatic engagement. One observes Iran negotiating with IAEA, the EU, and the United States on its nuclear program for seven of the eight years analyzed. Interestingly, the year Iran did not diplomatically engage the United States was 2011. This is the same year American troops completed their withdrawal from Iraq. Aside from nuclear negotiations, the Ahmadinejad government diplomatically engaged the United States on the issue of stabilizing Iraq, which occurred in the summer of 2006. However, no other forms of diplomatic engagement took place between the United States and Iran. The Bush administration had ended its cooperation with Iran on Afghanistan in 2003 and Iran was no longer actively pursuing terrorists wanted by the United States or any of its allies. Since the Conoco deal under President Rafsanjani, the Iranian government did not award any other business contracts to American businesses. Diplomatic engagement was now strictly limited to the Iranian nuclear program and stabilizing Iraq. The purpose of this chapter is to observe the nature of the relation between the study’s variables during the Presidency of President Mahmoud Ahmadinejad. Iran’s outspoken president was initially paired with American President George W. Bush and then President Barack Obama. This chapter begins with an overview of President Ahmadinejad and then proceeds to analyze each period within this era. In the last two sections, some policy alternatives will be considered for this era and the chapter’s findings will be reviewed in a conclusion.

After all the negotiations on the Iranian nuclear program and talks on Iraq, the Ahmadinejad government never made any lasting promises on either issue. In terms of the
nuclear issue, the Ahmadinejad government only cooperated with the IAEA, the United States, and the EU in a limited capacity. At times, Tehran would promise to scale back its enrichment activities but never follow through it. On the Iraq issue, the Ahmadinejad government made no promises to stop supplying Iraqi insurgents with weapons and explosives. It simple denied involvement in Iraq. The 2009 post-election dispute in Iran resulted in several months worth of protests. However, Iranian foreign policy was not adversely affected by those protests. Iran continued to diplomatically engage the United States and the IAEA on its nuclear program. Once again, there does not seem to be any evidence Iranian foreign policy was influenced by domestic variables on either the side of the United States or Iran. Also, Iran’s seemingly friendly foreign policy appears to be an effective conflict avoidance strategy. Tehran cooperates with the United States in a limited capacity to stall the Americans from taking decisive military action against Iran. Although it is not dependent on U.S. domestic factors, there is evidence of Strategic Conflict Avoidance on the part of Iran. The stalling tactic appears to keep Iran safe from U.S. military aggression by giving the impression Iran is making an attempt to resolving its issues with the United States, the EU, and the IAEA.

Another intriguing point of this era is that the Iranian post election protests of 2009 had no observable impact on Iranian foreign policy. Iran continued to diplomatically engage the United States throughout its domestic troubles. Starting from 2010, data on the Iranian economy is visibly missing from the World Bank database as well as those of other international organizations. As mentioned before, Iran stopped all negotiations on its nuclear program in 2001. The domestic situation in both countries was bad with U.S. GDP growth and U.S. presidential approval ratings decreasing. Another round of protests broke out in Iran as well. It is difficult to
associate such domestic factors as the reason behind Tehran’s decision to end its limited diplomatic engagement. It could have been attributed to the U.S. pulling out of Iraq in the same year. Maybe Iran did not believe the United States would pay too much attention to its actions when U.S. troops were withdrawing from Iraq. Matters changed in 2012 when Tehran announced its willingness to resume negotiations with the West. Also, the U.S. and Iran agreed to hold private talks on the latter’s nuclear program. Unfortunately, the economic data on Iran and the U.S. are both missing for this year since the data has yet to be released. The missing data does not change matters since it is already evident that the Iranian government does not change its foreign policy based on the domestic conditions in the United States or Iran. Consequently, Iran’s seemingly friendly foreign policy in this chapter is actually hostile towards the United States. The Ahmadinejad government has no intention of reaching a resolution on its nuclear program and it certainly had no intentions of helping the United States stabilize Iraq.

The Populist President

Prior to his initial election as President of the Islamic Republic, Mahmoud Ahmadinejad assumed various local government posts. As a militant student loyal to the Khomeini’s vision of Iran, Ahmadinejad proved to be a valuable asset for the Islamic Revolution. While Khomeini was consolidating his power in Tehran, Ahmadinejad joined his fellow revolutionaries in putting down rebellions in the predominantly Kurdish provinces of northwestern Iran. Shortly after the Iraqi invasion, the young Ahmadinejad enlisted in the engineering corps of the paramilitary Basij force. He remained an active member of the Basij until the conclusion of the war in 1988. Due to his loyal service to his country, the ministry of interior made Ahmadinjead mayor of Maku and then Khoy in the province of East Azerbaijan.
located in northwestern Iran. His governing posts lasted for nearly a year before he was reassigned to various advisory roles. In 1993, the ministry of interior split the East Azerbaijan province in half to make the province of Ardabil. Known for its unruly population, no career politician was willing to accept the governorship of the Ardabil province. Consequently, the ministry of interior offered the difficult role to Ahmadinejad who graciously accepted. Although originally chosen due to his militant-revolutionary credentials, the new governor of Ardabil initiated popular social programs to win the trust of the skeptical population of the province. These social programs provided free healthcare, substantial educational assistance, low-interest bank loans, and food aid to the impoverished. Ahmadinejad’s populist social programs coupled with his reputation for living a simple life helped him secure the majority of votes in the Tehran municipality election. From 2003 to 2005, Ahmadinejad served as Mayor of Tehran. Despite his immense popularity amongst Tehran’s poorer classes, the urban youth of the city despised Ahmadinejad’s strict social regulations. Furthermore, the influential Tehran merchants resented being taxed more for the sake of the poor. Nevertheless, Ahmadinejad announced his candidacy for the 2005 presidential election.

Such a move was considered futile by many in Iran because the relatively unknown mayor of Tehran was running against the popular former President Rafsanjani. While Ahmadinejad is immensely popular in the rural areas and city slums, the inhabitants of those areas typically do not participate in elections. Without the support of the politically active merchants and urban youth, Ahmadinejad could not hope to secure an election victory on his own. Believing that Ahmadinejad could be easily manipulated, the Supreme Leader officially endorsed the mayor of Tehran for the presidency. After procuring significant economic power
over the years, the IRGC and the Basij were able to transport busloads of Ahmadinejad supporters from rural areas to the cities in order to cast their votes. For those politically uninterested individuals residing in major cities, the IRGC exchanged favors for pro-Ahmadinejad votes. Even with the backing of major state institutions, Ahmadinejad was unable to secure a majority of votes in the first round of the election. Thus a run-off election between Ahmadinejad and Rafsanjani was held on June 24, which the former won by a suspiciously overwhelming majority of popular votes. Unconvinced of the legitimacy of the election results, former President Rafsanjani filed a complaint for voting irregularity with the Ministry of Justice. It quickly became apparent that no judge was willing to accept his case. Acknowledging his defeat, Rafsanjani repealed the complaint shortly after issuing it. With the blessings of the Supreme Leader, the newly elected president was busy putting together his radical cabinet. Although President Ahmadinejad shares similar views on foreign policy as many of Khameini’s conservative supporters, his domestic economic policies run contrary to the interests of the wealthy conservatives. Whereas Rafsanjani supported economic liberalization of Iranian markets, Ahmadinejad has pushed to halt the privatization of state-owned industries. Nevertheless, the Supreme Leader had at this point secured the loyalty of the IRGC and Basij, which granted him the authority to back Ahmadinejad despite the protests of some conservatives.

George H.W. Bush and Ahmadinejad

Before the election of Ahmadinejad, the Bush administration successfully pressured Iran to begin negotiating with the West on its nuclear program. On April 29, 2005 Iran and the EU held secret negotiations in London to seek an agreement over the former’s nuclear program.
Yet the mounting security challenges in Iraq and the election of a fiercely nationalistic president in Iran disrupted Iranian cooperation over its nuclear program. Shortly after Ahmadinejad was sworn in as president, two of Iran’s top nuclear negotiators warned the world that Iran would resume uranium enrichment if the EU and the U.S. did not recognize its right to do so.\textsuperscript{186} In his first speech to the UN General Assembly, President Ahmadinejad asserted Iran would not accept other countries providing it with nuclear fuel. Similar to Mossadegh’s standoff with the UK over the ownership of the Anglo-Iranian Oil Company (AIOC), Ahmadinejad’s pursuit of nuclear technology is seen as another national struggle for independence from foreign powers. However this time the point of contention is not oil but nuclear fuel.\textsuperscript{187} Iranian GDP growth had fallen by one percentage point to a 3\% level while protests spread throughout the country in mid-spring and summer.\textsuperscript{188} In April 2005, rumors were spread in the southwestern city of Ahvaz about a government initiative to expel the ethnic Arab residents and replace them with ethnic Persians. As a result of this rumor, three days of protests ensued in the city until security forces intervened with rubber bullets. Five protestors were killed and another 300 were arrested.\textsuperscript{189} A few days prior to the 2005 presidential elections in Iran, hundreds of women staged an unauthorized demonstration in Tehran protesting gender discrimination laws.\textsuperscript{190} On the same day, four bombs were detonated in Ahvaz and three more blasts occurred in Tehran. At least eight people were killed and seventy-five others wounded. The government blamed a separatist group loyal to deposed Iraqi dictator Saddam Hussein for the Ahvaz bombings but was unable to identify the perpetrators of the Tehran bombings.\textsuperscript{191} When news reports confirmed Ahmadinejad’s role in violently suppressing the Kurdish revolt of 1979, inhabitants of the northwestern province of Kurdistan renewed their rebellion against the central government, which led to another violent
suppression of the Kurds. The rebellion lasted for several weeks in the month of August. The domestic situation in the U.S. did not fair much better. U.S. GDP growth dropped down to 2% and U.S. presidential approval had fallen to zero by the end of 2005. With such conditions present, one would expect to observe a cooperative Iran. Yet the Iranians were not interested in renewing negotiations with the West on their nuclear program. President Ahmadinejad was determined to mimic the confrontational diplomacy of the Bush administration.

Engaged in an unpopular conflict in Iraq, the Bush administration’s approval rating continued to drop. By the end of 2006, the U.S. presidential approval rating was at zero. U.S. GDP growth remained at 2% level while Iranian GDP growth increased by two percentage points to yield a 5% growth for the year. Iran’s security situation significantly improved in 2006. Only two reported small protests occurred in early December. A group of students at Amir Kabir University interrupted a speech being given by President Ahmadinejad with chants of “death to the dictator”. Soon after that incident, another student demonstration took place during another Ahmadinejad speech at Tehran University. The students reportedly set fire to his pictures using firecrackers. In both instances, the Basij militia effectively dealt with the protestors. Iran took no further steps to diplomatically engage the United States on its nuclear program. By mid March however, Iran did agree to hold talks on issues of mutual concern in Iraq with the Bush administration. Through Swiss intermediaries, the United States had complained of Iranian made Explosive Formed Penetrator (EFP) attacks on British and American forces in Iraq since the summer of 2005. Talks between the two countries took place in July when a series of meetings between U.S. and Iranian diplomats were held in Baghdad to discuss Iran’s role in aiding Iraqi insurgents. Unfortunately the talks were inconclusive because the Iranians kept denying sending
any kind of aid to Iraqi insurgents to target American or British soldiers. After the talks, the flow of arms from Iran to Iraqi insurgents increased.\textsuperscript{200}

In 2007, U.S. GDP growth was at 1% while Iran’s GDP growth had increased to 7%.\textsuperscript{201} U.S. presidential approval was still 0\%\textsuperscript{202} and Iranian social unrest increased in 2007. On June 27, the Iranian government decided to ration monthly fuel allotments and increase the price of gas. Riots broke out in Tehran in protest of the new government initiatives. Uncontrollable crowds burned down twelve gas stations in the city.\textsuperscript{203} In late May 2007, Iran engaged in talks with the EU over suspending uranium enrichment. Those talks did not result in any resolution on Iran’s nuclear issue.\textsuperscript{204} Later in June, the IAEA came to an agreement with Iran over sending inspectors to the Arak nuclear power plant. Iran consistently kept delaying those inspections until it finally canceled its deal.\textsuperscript{205}

In the Bush-Ahmadinejad period, Iran’s foreign policy towards the United States was very tricky. The Ahmadinejad government engages the United States on its nuclear program and on stabilizing Iraq but the talks produce no results. Iran diplomatically engages the United States, the EU, and the IAEA with no intention of concluding a lasting resolution on its nuclear program or on providing assistance to Iraqi insurgents. Furthermore, the domestic factors of the United States and Iran do not seem to affect Iranian foreign policy. Iran’s deceptive approach towards the United States attempts to convince the Americans that it is willing and fully able to change its aggressive foreign policy when it has no intentions of doing so. The Ahmadinejad government attempted to stall the Bush administration from taking any military action against Iran. Thus, Iran pursued Strategic Conflict Avoidance towards the United States based a tactic of deception and stalling.
Obama and Ahmadinejad

President Obama inherited a difficult domestic situation. The U.S. economy grew even weaker in 2008 with a GDP growth of negative one. Iran’s economy also faltered. Iranian GDP growth was at 1%.206 At the end of 2008, U.S. presidential approval was still at 0%.207 Social stability increased a bit with no reported protests in Iran for 2008. By June 2008, EU foreign policy chief Javier Solana presented an offer of trade benefits in exchange for Iran’s suspension of uranium enrichment. An August deadline for the offer was set, which came to pass without an Iranian response.208

Iran’s GDP growth remained at 1% in 2009 while the US GDP growth was reduced to -4%.209 At the end of his first term as president, Barack Obama had a 9% approval rating.210 Comparatively, President Obama’s 2009-approval rating was much better than George W. Bush’s disastrous 2008-approval rating. Iranian cooperation over its nuclear program significantly increased after social instability reached beyond government control. On June 13 2009, Iran’s ministry of interior announced Mahmoud Ahmadinejad had won 63% of the popular vote and was thus the winner of the presidential election. Popular reformist candidate, Mir Hossein Moussavi, allegedly only won 34% of the votes. Thousands of pro-Moussavi supporters filled the streets of Iran’s major cities in the following days. The popular protests began on June 15 and lasted until late December. Initially protestors challenged the election results, which they asserted were inflated in favor of the incumbent. Over time, protestors began demanding structural change in the Islamic Republic. This movement to bring about a velvet revolution was labeled as the Green Movement due to opposition’s usage of the color green during protests. The number of demonstrators also increased with time as well. By the late summer, over a million
Iranians nationwide were protesting against the legitimacy of the Iranian regime. It was the largest demonstrations to be held in post-revolutionary Iran. In response to the protests, the Supreme Leader backed the election results and called for counter demonstrations. Iranian security forces led by IRGC commanders brutally quelled the demonstrations. Green Movement leaders such as Mohammad Khatami, Mir Hossein Moussavi, and former Majles speaker Mehdi Karroubi were placed under house arrest until early 2010. Due to the decisive role the IRGC and Basij played in protecting the theocratic regime, Iranian opposition leaders referred to Ahmadinejad’s disputed election victory as the “soft coup d’etat”. The Ahmadinejad government began cooperating with the IAEA on some new developments regarding the Iranian nuclear program.

In October 2009, the Ahmadinejad government held discussions with the U.S. and the IAEA in which the Obama administration brokered a fuel swap deal with Iran. In return for implementing additional safeguards on its nuclear program, the international community would provide Iran with nuclear fuel. As one would expect, the additional safeguards required Iran to stop enriching uranium on its soil. The deal did not receive the approval of the Majles and was made void. In the same month, the P5+1 group proposed to Iran that it send its low-enriched uranium to Russia for further enrichment and then to France to convert the remaining uranium into fuel for the Tehran nuclear reactor. The Ahmadinejad government refused the proposal in November, based on the grounds that it hindered the country from pursuing its national right to produce nuclear fuel for its own consumption. With the domestic security situation not subsiding, the Ahmadinejad government did not want to escalate political tensions with the West. Hence, Iran reported a small-scale underground fuel enrichment plant known as Fordow to
the IAEA and allowed the organization’s inspectors in to survey the site. Inspections ended with no nuclear material found at the site.214

From 2010 onward, there is no data for the Iranian GDP growth. Data on the American GDP growth is also lacking for the 2012 year due to the fact that the economic data has yet to be released. In 2010 U.S. GDP growth rose to 2%215 while U.S. presidential approval slightly dropped to 7%.216 Further social unrest took place in Iran during the month of February. Tens of thousands of protestors marched throughout the country in opposition of the regime.217 Compared to the previous year, the protests in 2010 did not pose a serious threat to the security of the Iranian regime. In the absence of the Iranian economic measure, one must consider two potential scenarios. First, Iranian GDP growth remained constant or increased. Second, Iranian GDP growth decreased. Under both scenarios, the expected outcome would be the same because U.S. presidential approval had dropped. In accordance to Davies’s interpretation of the Strategic Conflict Avoidance, an increase in U.S. GDP growth coupled with low U.S. presidential approval rating result in a friendlier Iran.218 In 2010, U.S. GDP growth had risen to 2%219 while U.S. presidential approval slightly dropped to 7%.220 Further social unrest took place in Iran during the month of February. Tens of thousands of protestors marched throughout the country in opposition of the regime.221 Compared to the previous year, the protests in 2010 did not pose a serious threat to the security of the Iranian regime. In the absence of the Iranian economic measure, one must consider two potential scenarios. First, Iranian GDP growth remained constant or increased. Second, Iranian GDP growth decreased. Under both scenarios, the expected outcome would be the same because U.S. presidential approval had dropped. In accordance to Davies’s interpretation of Strategic Conflict Avoidance, an increase in U.S. GDP growth...
growth coupled with a low U.S. presidential approval rating result in a friendlier Iran.222 In February 2010, the Ahmadinejad government informed the IAEA and the U.S. it was ready to send partially enriched uranium abroad for further enrichment. Skeptical of Iran’s intentions, the Obama administration called upon Iran to “match its words with actions”.223 Near the end of July, Turkish foreign minister Ahmet Davutoğlu announced Iran’s chief nuclear negotiator would meet with a EU official in Istanbul to reach a permanent settlement on uranium enrichment.224 Iran did not return to negotiating with the United States.

2011 was a seemingly less cooperative year for Iran. Based on Table 11 and 12, U.S. GDP growth decreased by a single percentage point and U.S. presidential approval fell by six percentage points in 2011. With both the U.S. economy faltering and the U.S. presidential approval ratings so low, it does not matter how well the Iranian economy was performing or badly it was underperforming. The expected outcome under both conditions would be the same. Hence, one would expect Iran to increase its cooperation with the West on its nuclear program. Yet Iran did not show the slightest interest in negotiating with the West. Yet again social unrest peaked in Iran. From February 13 to late March, hundreds of thousands of protestors marched in Tehran, Esfahan, Shiraz, Qom, Tabriz, Urmieh, and Mashhad calling for Khomeini’s death and Ahmadinejad’s immediate resignation as president.225 In mid April, hundreds of demonstrators in Ahavaz clashed with riot police for four days. The demonstrators had gathered peacefully to protest the discrimination of Iran’s Sunni Muslim minority.226 Riot police in Tehran dispersed hundreds of protestors marking the two-year anniversary of the founding of the Green Movement on June 12.227 The 2009 protests were much more significant but Iran still had time to diplomatically engage United States, the IAEA, and the EU on its nuclear program. Iran’s lack of
displaying any willingness to diplomatically engage the United States is a bit strange. Perhaps the Iranians believed the Americans would be too busy completing their withdrawal from Iraq to focus on Iran. Hence, there was no need to stall the United States with inconclusive talks.²²⁸

The study’s last year of interest recently concluded. Information regarding the Iranian nuclear program is still being revealed. Although it does not seem likely, there may be more social unrest in Iran before the end of this year. Additionally, the World Bank has not yet released the data on the U.S. economy for 2012. By the end of 2012, the U.S. presidential approval rating was at 10%.²²⁹ On October 2, riot police clashed with protestors in Tehran demonstrating against the country’s disastrous economic crisis.²³⁰ If U.S. GDP growth increases or remains stable and the Iranian GDP PCG drops, one would expect to observe an Iran hostile to U.S. interests. Yet if GDP growth in Iran increases and all other conditions remain equal, then one would expect to observe a more cooperative Iran. Similarly if U.S. GDP growth drops, then one would expect to observe the same outcome despite the value of Iranian GDP growth.

Throughout this study the Diversionary Theory of War has failed to accurately predict Iran’s behavior. Thus it is safe to deduce that the economies of both countries have no bearing on Iran’s nuclear activities.

Growing concerns of the international community over Iran’s nuclear program compelled President Ahmadinejad to allow IAEA inspectors to return to Iran and inspect its nuclear facilities. Upon the return of the inspectors, the IAEA concluded there was no evidence Iran was producing nuclear weapons at any of their declared nuclear sites. However, the chief IAEA inspector complained that Tehran did not grant his team access to the Parchin military installment, which the U.S. and Israel believe may be the site where Iran is producing nuclear
warheads. In March, top Iranian nuclear negotiator Saeed Jalili informed the EU that his country was ready to negotiate again. Shortly after, the P5+1 invited Iran to hold talks in Istanbul. Iran accepted and sent its nuclear negotiators to meet with diplomats from the U.S., Russia, UK, France, China, and Germany. Unfortunately, the talks were inconclusive.

The Ahmadinejad government once again displayed a great deal of interest negotiating with the West and the IAEA during Barak Obama’s initial presidency. The only exception took place in 2011 without a specific reason. Once again this lack of diplomatic engagement might be attributed to the withdrawal of U.S. troops from Iraq. The Iranian leadership may have been under the impression the Americans would be too busy pulling out their troops in Iraq to focus on Iran. Similar to the Bush-Ahmadinejad period, Iran kept breaking its promises to fully cooperate with the United States, the EU and the IAEA on its nuclear program. A limited amount of cooperation took place but not enough to suggest the Ahmadinejad government was sincerely engaging in a friendly Iranian foreign policy. Iran’s foreign policy is friendly on the surface. Upon further inspection one realizes that Iran is merely attempting to stall the United States from taking decisive military action against it. Once again, it appears Iranian foreign policy is independent of domestic factors. Nevertheless, Iran exhibits a form of Strategic Conflict Avoidance within Obama-Ahmadinejad period. The Iranian leadership shows a willingness to diplomatically engage the United States but it does not follow through. In other cases, Iran cancels its deals involving its right to enrich uranium. IAEA inspections were consistently delayed or canceled. By the time IAEA inspectors were allowed to inspect Iran’s nuclear sites, there was little chance they would discover any evidence to suggest Iran was building a nuclear weapon. These stalling efforts ensured the Ahmadinejad government could clean up its nuclear
sites and hide any evidence to suggest Iran is developing nuclear weapons. In the next sections a key Iranian policy alternative will be discussed.

Conflict in Iraq

Although no longer a current option, exploiting the conflict in Iraq was once a very attractive Iranian alternative to reaching a permanent deal on either the nuclear program or stabilizing post-Saddam Iraq. Since after the election of President Ahmadinejad, EFP attacks on British and American forces significantly increased. After U.S. troops investigated the matter, they discovered the EFPs used by Iraqi insurgents came from Iran. Clearly it would be to the benefit of Iran to sabotage U.S. efforts to stabilize Iraq. President Bush identified Iran as a rogue nation. There was no guarantee the U.S. military would not target Iran after Iraq was stabilized. At the time Iran was surrounded by U.S. military troops in both Afghanistan and Iraq. Yet Iran did not want to give the Bush administration a reason to expand the conflict in Iraq into Iran by indiscriminately arming Iraqi insurgents. When Americans complaints about Iran’s role in providing assistant to Iraqi insurgents were transmitted to Tehran through Swiss intermediaries, the Ahmadinejad government communicated its willingness to discuss the matter further with the United States. This willingness to engage the United States on Iran’s part ensured the Bush administration would not be tempted expand hostilities with the Ahmadinejad government. In March 2006, the United States accepted Iran’s invitation to hold talks in the summer. When the moment finally came to hold discussion on mutual concerns in Iraq, the Iranians consistently denied U.S. allegations it was assisting Iraqi insurgents to target American and British forces. A series of talks were concluded without securing a single promise from Iran to help stabilize Iraq. The complicated conflict in Iraq was an effective method of keeping the Americans out
of Iran. While busy fighting a war in Iraq, President Bush could not afford to focus his attention on Iran. Unlike during the Khatami Era, Iran did not need to compromise with the United States. It only needed to give the impression that it was willing to hold talks without actually concluding a lasting peace.

**The Stalling Effort**

It appears that currently, the Ahmadinejad government is utilizing a stalling effort to keep the United States from taking military action against Iranian nuclear sites. The United States pulled out of Iraq and is trying to speed up its withdrawal from Afghanistan. President Obama is more than likely not willing to engage in another costly military endeavor. Iran might be safe from an all out attack by the United States but its nuclear facilities can still be targeted by American airstrikes. Considering that Israel is not likely to attack Iranian nuclear sites without U.S. consent, the Ahmadinejad government is primarily focused on stalling the Obama administration for as long as it can. Unfortunately, there is no exact estimation in regards to how close Iran is to developing nuclear weapons. It could be the Iranians are nearly done enriching uranium to weapons grade. The stalling effort could be a short-term policy for Iran. There is evidence to suggest Iran was utilizing the stalling effort while it was exploiting the sensitive security situation in Iraq. Once the Americans pulled out of Iraq, Iran could not longer take advantage of the chaotic situation in Iraq to the detriment of the United States. The stalling effort became the only viable option other than completely abandoning the Iranian nuclear program. Perhaps Tehran will come up with a new policy once another option is discovered. For the time being, the stalling effort has been successful in averting a U.S. or Israeli air strike.
Conclusion

The Ahamdinejad government utilizes a certain strategy to avoid conflict that is independent of U.S. domestic factors. Similar to the previous chapters, low U.S. presidential approval ratings and U.S. economic woes have no influence over Iranian foreign policy in the Ahmadinejad Era. Likewise, Iranian domestic variables do not appear to have an impact on Iranian foreign policy either. Davies identifies Iran’s behavior in the Ahmadinejad Era as Strategic Conflict Avoidance. This would suggest that Davies believes U.S. domestic variables do impact Iran’s foreign policy. There is no doubt that Iran is avoiding conflict with a particular strategy. Yet this is not the traditional Strategic Conflict Avoidance that is discussed in Davies article. The kind of Strategic Conflict Avoidance found in this chapter is based on Iran’s stalling effort to mislead the United States by giving the impression it is willing to negotiate a settlement on its nuclear program. Initially this strategy was used in conjunction with exploiting the conflict in Iraq to keep the United States busy in order to ensure the Americans did not take decisive military action against Iran.

Table 14 reveals a seemingly consistent friendly Iranian foreign policy towards the United States. Yet Iran’s intention in diplomatically engaging the United States on its nuclear program and Iraq was only to deceive the Americans into thinking it was pursuing a friendly foreign policy. In fact, Iran’s behavior throughout the Ahmadinejad Era strongly suggests a hostile Iranian foreign policy despite its overt interest in cooperation. In 2011, one does not observe Iran attempting to negotiate with the United States. This could be attributed the withdrawal of U.S. troops from Iraq. The Iranian leadership had no need of further stalling the United States when it was already busy pulling out its troops. During other years, Iran primarily
engaged the United States on discussions regarding its nuclear program. Meetings were arranged between Iran, the EU, and the IAEA. At times those meetings would get canceled or conclude without any resolution. Other times, these meetings would end with an agreement that would later be terminated by Iran. IAEA inspections were often delayed as well. It is likely the Iranians were trying to remove any traces of evidence suggesting Tehran is building a nuclear weapon. By the time IAEA inspectors would enter Iran, there would be no proof of nuclear weapons program. In one instance, IAEA inspectors were not allowed into the Parchin military site where the United States believes Iran is developing nuclear weapons. Iran is seemingly attempt to hide the true nature of its nuclear program under the cover of cooperation. It engaged in the same behavior during the Bush-Ahmadinejad period in regards to Iraq. The Iranians supplied Iraqi insurgents with a great deal of EFPs and arms and denied ever doing so in a series of meetings with U.S. diplomats in 2006. Even with all of its saber rattling, the Bush administration could not force Iran to stop destabilizing Iraq. There is little reason to presume the Obama administration will successfully convince Tehran to abandon its nuclear program, stop its support of Lebanese and Palestinian terrorist groups, play a constructive role in Afghanistan again, or apprehend and extradite wanted terrorists hiding in its territory. Additionally, Iran is unlikely to award another lucrative government contract to an American company. At the same time, there is evidence to suggest Iran will continue its façade of cooperation to ensure the United States does not perceive it as such an immense threat that it would take military action against it.
CONCLUSION: FACTS AND FINDINGS

In this study of U.S.-Iranian relations, there is no evidence Iran engages in diversionary conflicts when the Iranian economy is struggling and/or when Iranian social unrest is increasing. Similarly, there is a lack of evidence to suggest Iranian foreign policy is influenced by American domestic factors, which include a struggling American economy and/or low U.S. presidential approval ratings. However, the study’s results do suggest Iran engages in a limited form of diplomatic engagement mostly in the form of negotiations with the United States, IAEA, and the EU on the Iranian nuclear program. This is particularly the case during the Ahmadinejad Era when Iran seemed overtly interested in cooperating with the United States on Iraq and the Iranian nuclear program. Closer inspection of the matter revealed that Iran was not actually making any progress on resolving those issues with the United States. The Ahmadinejad government would hold inconclusive talks or make an agreement on the Iranian uranium enrichment only to break it later. This stalling tactic is indeed hostile because its purpose is to deceive the U.S. leadership in order to continue pursuing its own interest. The conflict in Iraq providing an opportunity for the Iranians to destabilize Iraq by helping Iraqi insurgents fight American and British troops to hinder coalition efforts to secure the country.\textsuperscript{241} So as long as the United States was busy fighting in Iraq, it had little time to focus on Iran.

The Khatami government showed more of a sincere willingness to work with the United States on stabilizing Afghanistan, removing suspicions surrounding the Iranian nuclear program, apprehending wanted terrorists in Iranian territory and withholding support to Hezbollah and Hamas. It is important to mention that this high level of cooperation occurred only after the 911 terrorist attacks in the United States. Before that time, the Khatami government was either unable
or unwilling to take such drastic steps in diplomatically engaging the United States. Under President Clinton, several attempts were made to reach out to the Khatami government. In the first instance, the Clinton Administration asked Iran to assist the United States by apprehending and extraditing wanted terrorists to Saudi Arabia. These terrorists had close links to the IRGC and the Iranian conservatives. Khatami was more than likely willing to cooperate with the Untied States but the Supreme Leader would not allow him to do so. Iran’s conservatives and the IRGC are big supporters of Khameini and at the time he could not afford to upset them. The second time the Clinton administration made an attempt to reach out to Iran took place during Madeline Albright’s speech when she expressed regret for American’s involvement in the coup that overthrew Mossadegh and American support for Iraq during the Iran-Iraq war. The Supreme Leader consistently kept editing Khatami’s response to Albright’s message until finally Khameini’s office assumed the responsibility of drafting a response. In both instances, the Supreme Leader’s office criticized the United States for attempting to meddle in Iran’s domestic affairs. Khameini was not willing to negotiate with the United States. The situation drastically changed after 911 when Iran became more vulnerable to American military aggression. Iran’s past behavior in regards to its support for Middle Eastern terrorist groups was reason enough for the Bush administration to take decisive military action against Tehran. The Americans had announced their war on terrorism and the Iranian leadership grew very anxious. Khatami took the initiative to collaborate with the United States on removing the Taliban from power, capturing wanted Al-Qaeda terrorists hiding in Iran and extraditing them to Saudi Arabia, and helping to stabilize post-Taliban Afghanistan. The Khatami government even attempted to negotiate a lasting peace between Iran and the United States by offering to launch a broad
diplomatic engagement with the Bush administration where all issues of contention would be discussed. Iran was willing to make its nuclear program more accountable to international regulation, stop supporting Lebanese and Palestinian terrorist groups, and officially recognize the state of Israel. The last offer is not mentioned in this study’s definition of Iranian diplomatic engagement with the United States, which consists of collaboration with the United States to help stabilize post-Taliban Afghanistan or post-Saddam Iraq, ending support for Lebanese Hezbollah and Hamas in Gaza, awarding business contracts to American firms, cooperating on the Iranian nuclear program and apprehending terrorists hiding in Iranian territory wanted by the United States or its allies. However, offering to recognize one of the most important American allies in the Middle East, Israel, helps to increase Iranian diplomatic engagement with the United States. The offer was not accepted by the Bush administration based on suspicion that Iran was not sincere its overture. Despite the rejection, Iran still continued to cooperate on its nuclear program in the 2004. U.S. military aggression towards Iraq had increased Iranian anxieties. Whereas Iran had collaborated with the United States in overthrowing the Taliban, Iran played no role in Saddam Hussein’s demise. The fear of the Bush administration expanding the conflict in Iraq to Iran compelled the Iranian leadership to support Khatami’s efforts to lessen hostilities towards the United States.

The Rafsanjani Era was almost devoid of Iranian diplomatic engagement with the United States. Such a state of affairs can be attributed to the complex factional rivalry between conservative supporters of Khomeini and Rafsanjani’s moderates. Khomeini’s alignment with the conservatives made it difficult for Rafsanjani to diplomatically engage the United States without losing the support of the Supreme Leader in the process. Khomeini would support Rafsanjani’s
economic liberalization efforts so as long as the moderate president did not take any actions that would upset the conservatives. Economic liberalization was the most important policy of the Rafsanjani government. The president was not going to risk losing Khameini’s support for his economic reforms to take a risk in diplomatically engaging the United States early on. Near the end of his second term as president, Rafsanjani decided to take a chance and offer a government contract for the construction of offshore oil fields to American company Conoco. It was a cautious effort to lessen hostilities towards the United States. The deal was also consistent with Rafsanjani’s economic liberalization efforts. Interestingly, the Conoco deal did not receive any opposition or criticism in Iran. Yet it was canceled by the Clinton administration because it was inconsistent with the administration’s foreign policy on Iran.246

Overall, Iran has engaged in a limited form of Strategic Conflict avoidance primarily based on U.S. military aggression towards Iran’s neighbors. The only observed exception was the Conoco deal, which does not seem to follow this pattern. Nevertheless, the Conoco deal is a single limited instance of diplomatic engagement between Iran and the United States that was not brought about by the fear of U.S. military intervention. Oakes (2010) Policy Alternatives Approach can be used to better explain the Conoco deal. Based on this approach, Iran will not pursue a hostile foreign policy towards the United States if a viable alternative exists. In 1995, the Rafsanjani government had the opportunity to diplomatically engage the United States. President Rafsanjani had already successfully reformed the Iranian economy and he was nearing the end of his second term in office. He was not eligible to pursue a third term in office. Hence, granting a government contract to Conoco was worth the risks involved. If the Supreme Leader decided to stop supporting his government, it would not have been as detrimental as it would
have been early in the Rafsanjani Era. The same approach can be applied to the Khatami Era as well. President Khatami was unable to reciprocate American advances early in his presidency because Khomeini was unwilling to upset his conservative supporters. There was little reason at the time to believe the United States would take decisive military action against Iran for refusing to cooperate with the Clinton administration. However the risks of military conflict increased after 911. Working to overthrow the Taliban in Afghanistan became an attractive alternative to hostilities with the United States. Similarly, offering to initiate a broad diplomatic engagement with Bush administration after the invasion of Iraq was another good alternative to conflict.

Oakes approach falls a bit short in the Ahmadinejad Era when Iran pursued policies that were hostile towards the United States. Of course the Ahmadinejad government has given the impression that it is overtly interested in cooperating with the United States. Iran’s covert pursuit of hostilities towards the United States is a different variation of the Policy Alternatives Approach. Iran pursues policy options that stall the United States from taking military action against it. Most of its stalling techniques are centered on the Iranian nuclear program. One can reasonable assume the Iranians are attempting to develop a nuclear weapon or give the impression that they could have one to convince the United States not to pursue hostilities with Iran. The longer Iran stalls the United States, the closer it gets to attain WMDs or the more reason to believe the Iranians are likely to have one. Although the acquisition of nuclear weapons is not a guarantee the United States will not invade Iran, at the very least it does lessen the chances of a military conflict between the two countries. Another possible explanation for stalling is that Iran simple trying to produce nuclear energy without foreign assistance.
Jack Levy’s ingroup-outgroup hypothesis explains the importance of the Iranian nuclear program well. According to Levy’s hypothesis, the ingroup unites to face an external threat posed by the outgroup. This will only happen if the ingroup believe the outgroup is threatening the interests of the entire group not just a portion of it. Also, the ingroup must be a cohesive unit with a vested interest in its survival. When united against the threat posed by the outgroup, the ingroup becomes supportive of its leaders regardless of the wisdom of their policies. This is known as the rally around the flag effect.\textsuperscript{247} Within the context of the Iranian nuclear program, the ingroup is Iran and the outgroup is clearly the United States. The Iranian leadership exploits the Iranian nuclear issue to increase its popular support. Iran’s nuclear program is an issue of national importance. Every political faction in Iran supports the nuclear program because it represents the national struggle for self-sufficiency that goes back to the time of Premier Mossadegh and the AIOC.\textsuperscript{248} By not backing down from the pursuit of nuclear technology in the face of adversity from the West, the Iranian leadership is attempting to create a rally around the flag effect in the country. Ultimately, this will help boost the people’s confidence in their government. Levy’s scapegoat hypothesis, stating that a country’s leadership will create a diversionary conflict to distract its people from domestic troubles, has little relevance to this study.\textsuperscript{249} The Iranian leadership does not seem to be trouble by social unrest or a faltering economy.

Davies suggests that prior to the 2003 invasion of Iraq, Iran was not impacted by American presidential approval ratings but the condition of the American economy did increase Iranian cooperation levels with the United States throughout the years.\textsuperscript{250} In this study, there is
no evidence to suggest Iranian foreign policy is affected by U.S. GDP growth. During the periods prior to 911, there were many instances when U.S. GDP growth dropped and Iran still did not diplomatically engage the United States. After 911, Iranian cooperation was based on Iran’s concerns of being targeted for U.S. military aggression and the idea that Afghanistan was an issue of mutual interest for Iran and the United States. Once Ahmadinejad became president, Iranian cooperation became deceptive. The Iranians overtly displayed interest in cooperating with the United States but made no actual effort to reduce hostilities. Furthermore, Davies quantitative study reveals that Iranian foreign policy became less hostile towards the United States when social unrest in Iran significantly increases. Unfortunately, Davies did not completely operationalize the term Encapsulation, which refers to a state’s inability to pursue an aggressive foreign policy because its attention and resources are dedicated to quelling social unrest. It is difficult to ascertain when social unrest reaches significant levels for Encapsulation to take place. There is also no qualitative evidence to suggest that Iranian foreign policy is influenced by social unrest in Iran. Similar to Davies, this study finds no evidence of American presidential ratings impacting Iranian diplomatic engagement with the United States. Prior to 2003, Davies states that Iran engaged in a policy of bilateral reciprocity with the United States. Through a policy of engagement, the United States was able to increase Iranian cooperation levels. Conversely, an increase in U.S. hostilities towards Iran resulted in lower Iranian cooperation levels. This was certainly not the case in this study. Under President Khatami, Iran never reciprocated the Clinton administration’s engagement with Iran in 1999 and 2000. A major shortcoming of Davies’s research is that it focuses only on Iran’s cooperation with the United States on the Iranian nuclear program. This explains the discrepancies in results
between this study and Davies’s article. On the U.S. invasion of Iraq, Davies states the increase of U.S. troops in close proximity to Iran positively impacted Iranian cooperation levels. While this is certainly true during the final years of the Khatami Era, Iran began targeting U.S. troops in Iraq during the Ahmadinejad Era. At the same time, the Ahmadinejad government held discussions with the United States on issues of mutual concern in Iraq and the possibility of cooperating with IAEA regulations on uranium enrichment. None of these talks resulted in any changes in Iranian foreign policy. In fact, supply of arms provided by Iran to Iraqi insurgents increased after a series of talks were held between the United States and Iran on Iraqi security in 2006. Davies’s final conclusion suggests that Iranian foreign policy becomes more hostile towards the United States when U.S. presidential approval ratings are low. Since the 2003 invasion of Iraq, Davies’s suggests that presidential unpopularity is a sign of U.S. weakness. The American president is less likely to take action against Iran because of the negative experiences in Iraq. This study cannot substantiate that claim. Low U.S. presidential approval ratings do not decrease Iranian diplomatic engagement just as high approval ratings do not increase the likelihood Iran will pursue a friendly foreign policy towards the United States.

Hypothesis one of this study, Iran engages in Strategic Conflict Avoidance when U.S. GDP growth decreases and/or when U.S. presidential approval ratings drop is not entirely true. Iran does engage in a limited form of Strategic Conflict Avoidance based on U.S. military aggression towards its neighbors. However, U.S. domestic factors have no impact on Iranian cooperation levels. It does not appear Iranian foreign policy is influenced by Iran’s domestic factors. Subsequently, hypotheses two and three are not valid. According to hypotheses two, Iran is likely to increase its hostilities towards the United States when Iranian GDP growth is low and
social unrest increases. Based on the findings of this study, there is no evidence to suggest Iran engages in diversionary tactics. Subsequently, economic sanctions play no significant role in Iranian cooperation with the United States either. Iranian foreign policy towards the United States is independent of domestic or foreign economic forces. Hypothesis three, stating Iran is likely to pursue a hostile foreign policy towards the United States when there is a positive relationship between Iranian domestic variables is also incorrect. Iran is not more likely to decrease cooperation with the United States when both Iranian GDP growth and social unrest increases. The original expectations of this study were based on the idea that Iran will always engage in Strategic Conflict Avoidance before initiating any diversionary conflicts. Certainly this expectation is partially valid. Iran does increase diplomatic engagement with the United States when the U.S. takes military action against its neighbors. Also, Iran increased diplomatic engagement while engaging in activities harmful to the security of U.S. troops in Iraq prior to the 2011 pullout. Currently, Iran engages the United States on its nuclear program without actually reaching any kind of permanent resolution to the issue of U.S. concerns Iran is developing nuclear weapons.

Another key finding of this study is that the Iranian nuclear program is very important to the Iranians. The deceptive tactic of cooperation without resolution seen in the Ahmadinejad Era is to keep the U.S. from taking decisive action against the Iranian nuclear program. Israel is not likely to launch an air strike on Iranian nuclear sites without American consent in the matter. Keeping the Americans engaged in fruitless negotiations will decrease the risks of U.S. military aggression towards Iran. It will be interesting to observe Iranian diplomatic engagement in the come. If the United States is fundamentally opposed to a nuclear Iran, then Iran’s current stalling
strategy will not work indefinitely. Only time will tell if Iran will eventually reach a permanent resolution with the United States on its nuclear program. Additionally, if Iran is able to compromise on its nuclear program then there might be a chance it will compromise on other issues of mutual interest.
APPENDIX A:
TABLES OF THE RAFASANJANI ERA
Table 3: The Economies of Iran and the U.S. Measured in GDP

<table>
<thead>
<tr>
<th>Year</th>
<th>Iran</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>1990</td>
<td>11%</td>
<td>1%</td>
</tr>
<tr>
<td>1991</td>
<td>10%</td>
<td>-2%</td>
</tr>
<tr>
<td>1992</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>1993</td>
<td>-3%</td>
<td>2%</td>
</tr>
<tr>
<td>1994</td>
<td>-2%</td>
<td>3%</td>
</tr>
<tr>
<td>1995</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>1996</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>Year</td>
<td>Iranian Social Unrest</td>
<td>U.S. Presidential Approval Rating</td>
</tr>
<tr>
<td>------</td>
<td>-----------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>1989</td>
<td>1. Thousands of protestors in Tehran came out in support of Imam Khomeini’s edict against Salman Rushdie</td>
<td>51%</td>
</tr>
<tr>
<td>1990</td>
<td>No Protests Reported</td>
<td>35%</td>
</tr>
</tbody>
</table>
| 1991 | 1. Squatters in a Tehran district protested after the city government ordered their shacks to be demolished  
2. Demonstrations occurred in Tehran, Tabriz, and Isfahan over the economic mismanagement of the country.  
3. Government forces battled Baluchi insurgents in southeastern Iran. | 12% |
| 1992 | 1. Tabriz experienced three days of rioting.  
2. In Mashhad, protests broke out. | 9% |
| 1993 | No Reported Protests | 5% |
| 1994 | 1. People of Qazvin in Central Iran rioted. | 0% |
| 1995 | 1. Riot in southern Tehran. | 7% |
| 1996 | No Protests Reported | 23% |
Table 5: Diplomatic Engagements

<table>
<thead>
<tr>
<th>Year</th>
<th>Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>No</td>
</tr>
<tr>
<td>1990</td>
<td>No</td>
</tr>
<tr>
<td>1991</td>
<td>No</td>
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<td>1993</td>
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<tr>
<td>1994</td>
<td>No</td>
</tr>
<tr>
<td>1995</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Rafsanjani government grants a lucrative oil contract to American oil company Conoco.</td>
</tr>
<tr>
<td>1996</td>
<td>No</td>
</tr>
<tr>
<td>Year</td>
<td>U.S. Variables</td>
</tr>
<tr>
<td>------</td>
<td>----------------</td>
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<tr>
<td>1989</td>
<td>↑ U.S. Economy</td>
</tr>
<tr>
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</tr>
<tr>
<td>1991</td>
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<tr>
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<td>1994</td>
<td>↑ U.S. Economy</td>
</tr>
<tr>
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<td>1995</td>
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</tr>
<tr>
<td></td>
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</tr>
<tr>
<td>1996</td>
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APPENDIX B:
TABLES OF THE Khatami ERA
Table 7: The Economies of Iran and the U.S. Measured in GDP

<table>
<thead>
<tr>
<th>Year</th>
<th>Iran</th>
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</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>1998</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>1999</td>
<td>0%</td>
<td>4%</td>
</tr>
<tr>
<td>2000</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>2001</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>2002</td>
<td>6%</td>
<td>1%</td>
</tr>
<tr>
<td>2003</td>
<td>6%</td>
<td>2%</td>
</tr>
<tr>
<td>2004</td>
<td>4%</td>
<td>3%</td>
</tr>
</tbody>
</table>
Table 8: Iranian Social Unrest and U.S. Presidential Approval Ratings

<table>
<thead>
<tr>
<th>Year</th>
<th>Iranian Social Unrest</th>
<th>U.S. Presidential Approval Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>No Protests Reported</td>
<td>19%</td>
</tr>
<tr>
<td>1998</td>
<td>No Protests Reported</td>
<td>29%</td>
</tr>
<tr>
<td>1999</td>
<td>1. Student demonstrations took place for four days in eighteen major cities. Initially caused by the closing of Salam, a reformist newspaper.</td>
<td>22%</td>
</tr>
<tr>
<td>2000</td>
<td>No Protests Reported</td>
<td>45%</td>
</tr>
<tr>
<td>2001</td>
<td>No Reported Protests</td>
<td>75%</td>
</tr>
<tr>
<td>2002</td>
<td>1. Anniversary protests were held by students in Tehran to commemorate the 1999 student protests. 200 people were arrested. 2. Large student protests occurred throughout the country over the death sentence of a prominent reform-minded academic. 3. For three days, thousands demonstrated in Tehran in solidarity with students protesting the legitimacy of Iran’s unelected political institutions.</td>
<td>29%</td>
</tr>
<tr>
<td>2003</td>
<td>1. For nine days, thousands in Tehran, Mashhad, and Mazandaran demonstrated against the political establishment.</td>
<td>28%</td>
</tr>
<tr>
<td>2004</td>
<td>No Protests Reported</td>
<td>3%</td>
</tr>
<tr>
<td>Year</td>
<td>Yes/No</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>--------</td>
<td></td>
</tr>
<tr>
<td>1997</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

### 2001
1. Iran helped stabilize post-Taliban Afghanistan.
2. Iran agreed to rescue American pilots in distress near its eastern border.
3. Iran detained and extradited Saud Al-Qaeda back to Saudi Arabia.

### 2003
1. Tehran informed the IAEA of undisclosed gas centrifuges.
2. Iran offered diplomatic deal to the United States.
3. IAEA inspectors were allowed to survey the site at Natanz.
4. Iran signed an agreement with the EU to eliminate suspicions about its nuclear intentions.
5. Iran agreed to accept IEA AP.

### 2004
1. Iran agrees to suspend most of its uranium enrichment under a deal with the EU.
<table>
<thead>
<tr>
<th>Year</th>
<th>U.S. Variables</th>
<th>Iranian Variables</th>
<th>Iranian Foreign Policy Toward The U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>↑ U.S. Economy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>↓ U.S Presidential Approval Rating</td>
<td>↓ Iranian Economy</td>
<td>Hostile</td>
</tr>
<tr>
<td></td>
<td>↓ Social Unrest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>↑ U.S. Economy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>↑ U.S Presidential Approval Rating</td>
<td>↑ Iranian Economy</td>
<td>Hostile</td>
</tr>
<tr>
<td></td>
<td>↓ Social Unrest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>↑ U.S. Economy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>↓ U.S Presidential Approval Rating</td>
<td>↓ Iranian Economy</td>
<td>Hostile</td>
</tr>
<tr>
<td></td>
<td>↑ Social Unrest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>↓ U.S. Economy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>↑ U.S Presidential Approval Rating</td>
<td>↑ Iranian Economy</td>
<td>Hostile</td>
</tr>
<tr>
<td></td>
<td>↓ Social Unrest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>↓ U.S. Economy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>↑ U.S Presidential Approval Rating</td>
<td>↓ Iranian Economy</td>
<td>Friendly</td>
</tr>
<tr>
<td></td>
<td>↓ Social Unrest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>↑ U.S. Economy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>↓ U.S Presidential Approval Rating</td>
<td>↑ Iranian Economy</td>
<td>Hostile</td>
</tr>
<tr>
<td></td>
<td>↑ Social Unrest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>↑ U.S. Economy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>↓ U.S Presidential Approval Rating</td>
<td>↑ Iranian Economy</td>
<td>Friendly</td>
</tr>
<tr>
<td></td>
<td>↑ Social Unrest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>↑ U.S. Economy</td>
<td></td>
<td></td>
</tr>
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<td></td>
<td>↓ U.S Presidential Approval Rating</td>
<td>↓ Iranian Economy</td>
<td>Friendly</td>
</tr>
<tr>
<td></td>
<td>↓ Social Unrest</td>
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</table>
APPENDIX C:
TABLES OF THE AHMADINEJAD ERA
Table 11: The Economies of Iran and the U.S. Measured in GDP

<table>
<thead>
<tr>
<th>Year</th>
<th>Iran</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>2006</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>2007</td>
<td>7%</td>
<td>1%</td>
</tr>
<tr>
<td>2008</td>
<td>1%</td>
<td>-1%</td>
</tr>
<tr>
<td>2009</td>
<td>1%</td>
<td>-4%</td>
</tr>
<tr>
<td>2010</td>
<td>NA</td>
<td>2%</td>
</tr>
<tr>
<td>2011</td>
<td>NA</td>
<td>1%</td>
</tr>
<tr>
<td>2012</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Year</td>
<td>Iranian Social Unrest</td>
<td>U.S. Presidential Approval Rating</td>
</tr>
<tr>
<td>-------</td>
<td>------------------------</td>
<td>----------------------------------</td>
</tr>
</tbody>
</table>
| 2005  | 1. Three days of protests in Ahvaz.  
3. Four bombs go off in Ahvaz and three in Tehran.  
4. Kurdistan province revolts for two weeks. | 0% |
2. Iranian students demonstrate at Tehran University. | 0% |
| 2007  | 1. Tehran riots occur. | 0% |
| 2008  | No Protests Reported | 0% |
| 2009  | 1. Over 1 million people took to the streets for months. | 9% |
| 2010  | 1. Protests over national holiday. | 7% |
| 2011  | 1. For a month, thousands protests against the president.  
2. Police reportedly killed twelve demonstrators in Ahvaz.  
3. Protests over election. | 1% |
<p>| 2012  | 1. A crowd of outraged Tehranis protested. | 10% |</p>
<table>
<thead>
<tr>
<th>Year</th>
<th>Yes/No</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>Yes</td>
<td>1. Iranian and European negotiators met to discuss nuclear program.</td>
</tr>
<tr>
<td>2006</td>
<td>Yes</td>
<td>1. Iran and the United States held a series of talks about mutual concerns in Iraq.</td>
</tr>
<tr>
<td>2007</td>
<td>Yes</td>
<td>1. Talks between Iran and the EU over suspending uranium enrichment are held.</td>
</tr>
<tr>
<td>2008</td>
<td>Yes</td>
<td>1. EU offered nuclear deal that Tehran rejected.</td>
</tr>
</tbody>
</table>
2. P5+1 offered Iran a proposal to enrich its uranium abroad. |
| 2010 | Yes    | 1. Iran stated it was ready to send enriched uranium abroad. |
| 2011 | No     | |
| 2012 | Yes    | 1. The chief UN nuclear inspector returned from a second visit to Iran.  
2. U.S. and Iran agreed to hold one-on-one negotiations. |
<table>
<thead>
<tr>
<th>Year</th>
<th>U.S. Variables</th>
<th>Iranian Variables</th>
<th>Iranian Foreign Policy Toward The U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>↓ U.S. Economy</td>
<td>↓ Iranian Economy</td>
<td>Friendly</td>
</tr>
<tr>
<td></td>
<td>↓ U.S Presidential Approval Rating</td>
<td>↑ Social Unrest</td>
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</tr>
<tr>
<td>2006</td>
<td>↑ U.S. Economy</td>
<td>↑ Iranian Economy</td>
<td>Friendly</td>
</tr>
<tr>
<td></td>
<td>↓ U.S Presidential Approval Rating</td>
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<td>↓ U.S. Economy</td>
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<tr>
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<td>2008</td>
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<td>Friendly</td>
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<td>↑ U.S Presidential Approval Rating</td>
<td>↑ Social Unrest</td>
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<td>2010</td>
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<td>NA Iranian Economy</td>
<td>Friendly</td>
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<td>↓ U.S Presidential Approval Rating</td>
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<td>↓ U.S Presidential Approval Rating</td>
<td>↑ Social Unrest</td>
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</tr>
<tr>
<td>2012</td>
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<td>NA Iranian Economy</td>
<td>Friendly</td>
</tr>
<tr>
<td></td>
<td>↑ U.S Presidential Approval Rating</td>
<td>↓ Social Unrest</td>
<td></td>
</tr>
</tbody>
</table>
END NOTES

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44 Davies, Pp. 214.
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