MAKING SENSE OF IRAN:
RHETORIC, IDEOLOGY, AND BEHAVIOR

BY

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DISCLAIMER

The conclusions and opinions expressed in this document are those of the author. They do not reflect the official position of the US Government, Department of Defense, the United States Air Force, or Air University.
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ABSTRACT

For the last three decades, the US has viewed the Islamic Republic of Iran as a significant threat to its national security interests based in large part on its inflammatory ideological rhetoric. This thesis compares the Iranian regime’s radical statements with its actual foreign policy to determine if their external behavior is consistent with their rhetoric. It specifically examines Iran’s foreign economic policies to determine whether Iran’s ideological beliefs or its material interests guide its actions. In order to assess the potential ideological basis of Iran’s foreign policies, the author reviews the historical context that led to the Iranian Revolution and the resulting ideology of Khomeinism. Included in this discussion are insights into why the US-Iranian relationship is characterized by such intense mistrust and hostility, which has interfered with the objective analysis of threats and left policymakers on both sides fixated on each other’s rhetoric. Then, the rhetoric and behavior of three distinct Iranian administrations are examined to determine consistencies and variances: President Akbar Hashemi Rafsanjani (1989-97), President Mohammad Khatami (1997-2005), and President Mahmoud Ahmadinejad (2005-present). The final section compares rhetoric and ideology across administrations and demonstrates that while ideological rhetoric changed from president to president, behavior did not. All three pursued pragmatic, interest-driven policies designed to bolster Iran’s economic and security interests. In sum, this thesis advocates a more sophisticated appreciation of the Islamic Republic’s worldview and interests in order to aid US policy makers in devising strategies that are more likely to serve American security interests.
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Introduction

For the last three decades, the United States has viewed Iran as a significant threat to its national security interests. President George W. Bush famously labeled Iran part of the “axis of evil” in his 2002 State of the Union address. Later that year former CIA Director James Woolsey was discussing Iran’s state-sponsorship of terrorism in an interview with FRONTLINE and said, "one would hope they would have more sense than to share any type of weapons of mass destruction with terrorists. But I don't think one can count on the common sense of the mullahs."\(^1\) This is a common perception among Americans. US policymakers consistently describe Iran as, “a rogue state, a terrorist state, non-democratic, abusive to its own citizens, fanatical about developing nuclear weapons, aggressive toward its neighbors, anti-Semitic, the primary cause of violence in Iraq, and worthy therefore of economic strangulation and military invasion to overthrow the Islamic Republic.”\(^2\) They often point to the regime’s own rhetoric as evidence of its irrationality and belligerence—an assumption that suggests punitive measures are the only effective and viable course of action. When American leaders stress that “all options are on the table” for dealing with Iran, the military option is often the foremost in mind.

Iran’s rhetoric is often outlandish and extreme by Western standards, but does it accurately reflect the country's foreign policy? It was amusing to hear Iranian President Ahmadinejad claim there are no homosexuals in Iran; it was more disturbing when he denied the Holocaust. Yet regardless of how sensationalist these comments are, they have little to do with US national security. More pertinent was his remark after winning his first presidential election: “The wave of the Islamist revolution will soon reach the entire world.”\(^3\) Can we chalk up this statement, and many others like it, to an over

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zealous politician pandering to his constituents or was this a glimpse of Ahmadinejad’s presidential agenda? How seriously should the United States take Iran’s ideological rhetoric? Does it provide a window into political goals? Is ideology driving the Islamic Republic’s foreign policy, as many American officials seem to believe? Or is Iranian foreign policy ultimately based on pragmatic material interests that reflect geopolitical reality? To answer these questions it is necessary to disentangle Iran’s rhetoric, behavior and ideology.

Politicians from every country, including the United States, employ rhetorical language to rally their bases and buttress their positions. For that reason, it is irresponsible to assess a nation on speeches alone—behavior matters. It can be argued that one need only pick up a newspaper to see that Iran does not always behave in a desirable manner. It refuses to halt its suspect nuclear program, it supports groups like Hizballah and Hamas, and periodically saber rattles in the Gulf…yet little thoughtful attention is given to why it behaves as it does. When Iran’s motives are examined, Western commentators frequently ascribe some fanatical ideological rationale. Charles Krauthammer, for instance, wrote an op-ed about Ahmadinejad and commented, “This kind of man would have, to put it gently, less inhibition about starting Armageddon than a normal person.”

Canadian Prime Minister Stephen Harper echoed the opinion of many when he said, “The ideology of the Iranian government is evil.” Thus, what scares many in the West is not necessarily Iran’s behavior, but the presumed motivations behind its actions. As Senator John McCain proposed, “It is the character of this Iranian regime—not just its behavior—that is the deeper threat to peace and freedom in our world, and in Iran.”

Many Americans perceive that character, and the motivations it encompasses, to be based on Iran’s Islamic ideology. But is this an accurate perception? It can be

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difficult to honestly evaluate the behavior and motivations of a strident state, but the case of Iraq demonstrates why it is important to do so. Before the United States risks military involvement in Iran—a country of such complex internal dynamics that Iraq pales in comparison—American analysts need to move past psychological stumbling blocks like the 1979 US hostage crisis and failed rescue attempt, Operation EAGLE CLAW, and evaluate the congruence of the Islamic Republic’s ideological rhetoric and their behavior. Doing so will allow analysts to form more accurate understandings of Iran’s foreign policies and objectives, better assess their potential danger to US national security, and ideally facilitate American policy formulation.

The purpose here is to do exactly that. This thesis compares the Iranian regime’s radical ideological statements with its actual foreign policy to determine if their external behavior is consistent with their rhetoric. It specifically examines Iran’s foreign economic policies, including trade partners and foreign investors. This will shed light on whether Iran’s ideological beliefs or its material interests guide its actions.

Some attempt to discount Iran’s foreign economic policies and emphasize it is their ties with terror organizations and their pursuit of nuclear weapons that are at issue. While the latter are important concerns, there are several reasons for not examining them in this thesis. First, this thesis is based solely on unclassified sources. The potential for dissonance between unclassified and classified material on Iran’s nuclear program and alleged state-sponsorship of terrorism is high. Selecting and examining foreign policy areas that are conducted in the open more likely provides a complete picture of these initiatives. Second, while Iran’s nuclear program is worrisome, the UN Security Council has yet to declare Iran in violation of the Non-Proliferation Treaty (NPT). The UN did impose sanctions on Iran for not complying with voluntary IAEA safeguards, but those had to do with failing to provide facility design information and answering questions on possible military work. The Islamic Republic is admittedly only complying with the letter of the NPT, not the intent, but there is no open source information confirming the pursuit or existence of nuclear weapons. Third, while there is strong evidence that Iran has ties with militant groups, unclassified sources vary widely on the nature and degree

of the support they provide; much less any direct role Iran has played in terrorist incidents. A few sources cast doubt on all such accusations while others blindly accept them all, and many fall somewhere in between. Examining less contentious areas of Iran’s foreign policy is likely to provide a more objective analysis.

In order to assess the potential ideological basis of Iran’s foreign policies, it is necessary to first identify just what Iranian Islamic ideology entails. Political worldviews are not formed in a vacuum. A review of the historical context that led to the Iranian Revolution and the resulting ideology of Khomeinism sheds light on its peculiar make-up. Included in this discussion are insights into why the US-Iranian relationship is characterized by such intense mistrust and hostility. This mutual opposition, and often demonization, has interfered with the objective analysis of threats and led to decades of both sides missing opportunities in interstate relations. It has instead left policymakers fixated on each other’s rhetoric. The utility of that fixation is the subject of this thesis.

The rhetoric and behavior of three distinct Iranian administrations are examined to determine consistencies and variances: President Akbar Hashemi Rafsanjani (1989-97), President Mohammad Khatami (1997-2005), and President Mahmoud Ahmadinejad (2005-present). The first decade after the revolution is not included in this analysis because the Islamic Republic was in a state of consolidation and stabilization due in large part to the war with Iraq, which perpetuated revolutionary and ideological zeal, and—combined with Khomeini’s charismatic authority—hindered the emergence of “normal” governance. In 1989 the Iranian constitution was amended to strengthen the presidency, eliminate the position of Prime Minister, and reduce the necessary qualifications of the Supreme Leader. These revisions, along with the death of Khomeini, fundamentally changed the dynamics of the Iranian government and thus, the manner in which it formulated and implemented foreign policy.

Another significant characteristic of Iranian politics that must be noted is the factionalism that permeates the Islamic government due to disagreements over domestic social and economic regulations, as well as foreign policy. Important decision-making involves several entities including the Supreme Leader, President, Majlis (parliament),

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and potentially the Expediency Council and Guardian Council, all of which are aligned with various factions. Khomeini remained above the factional fray and served as the final arbiter during his reign, but after he died decision-making became a much more complex political negotiation. Three main factions have emerged: conservatives, reformists, and radicals. Within each group there is a continuum between hardliners and pragmatists, so depending on the issue at stake it is common for a multitude of temporary alliances to form that cross factional lines. It is a serious mistake to assign qualitative labels, such as good or bad, to any of these groups. Actors do not always behave according to strict labels, contradictory policy orientations within groups occur, and individual positions change over time.\(^9\) Overall, Iranian factions, their members and even their labels are extremely fluid. Of interest for this thesis is not necessarily the position of each faction, but whether Iranian rhetoric and foreign policies have stayed consistent during various shifts in power. The period from 1989 to the present is ideal for this analysis since each president is primarily associated with a different faction. Rafsanjani was a conservative, Khatami a reformer, and Ahmadinejad a populist radical. Additionally, the Supreme Leader, Ayatollah Ali Khamenei, has been in place through all three presidencies, suggesting any major changes in rhetoric and/or policy can be attributed to the president. While the Supreme Leader is unquestionably the single most powerful individual in the Islamic regime, the 1989 constitutional amendment strengthened the president considerably. According to Dr. Gary Sick, an expert on Iran and former National Security Council staff member: “Although it is conventional wisdom to dismiss the presidency as relatively unimportant and totally subservient to the Leader, that grossly underestimates the influence that the Iranian president is able to exert, especially on foreign policy. In the three presidential elections in Iran since the death of Ayatollah Khomeini in 1989, Iran has undergone a series of very important changes that were attributable almost exclusively to the incumbent president.”\(^{10}\)

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Iranian rhetoric is the focal point of this study. What have the variances been? Have those variances been congruent with Ayatollah Khomeini’s revolutionary ideology? Has the rhetoric actually represented the country’s foreign policies? If Iran’s foreign policies do not match its rhetoric, does that suggest US leaders should focus more on Iran’s behavior and less on its public statements and purported revolutionary ideology? With the turmoil in the Middle East escalating on an almost daily basis, recognizing and understanding Iran’s role in the region is more policy relevant than ever. This thesis is an attempt to facilitate that understanding. Chapter one reviews the historical context of the Iranian Revolution as well as concepts relevant to foreign policy in the ideology advanced by Ayatollah Khomeini, for it is this ideology that worries the West. Chapters two, three and four examine the rhetoric and foreign policies of President Rafsanjani (1989-97), President Khatami (1997-2005), and President Ahmadinejad (2005-present), as well as how closely they aligned with Khomeini’s ideology in both words and deeds. The last chapter analyzes trends across administrations, reviews the effectiveness of US policies towards Iran, and provides recommendations for a new US strategy.
Chapter 1

History & Ideology

It is impossible to comprehend Iranian rhetoric and behavior today without an appreciation of Iran’s history and how it has influenced Iranian perceptions. This chapter provides the historical context necessary to understand why the Iranian Revolution occurred, and the evolution of the US-Iranian relationship in the 20th century. Finally, it looks at Ayatollah Khomeini’s Islamic ideology as a foundation for assessing presidential rhetoric in subsequent chapters.

Historical Context

As descendents of Cyrus the Great, founder of the Persian Empire in 559 BCE and author of the first charter of human rights known to man, Iranian worldviews are informed by nationalism and ethnocentrism as much as—and often more than—Islamic ideology. Iranians proudly claim to be one of the world’s oldest continuous civilizations. Thought to be the original “Aryans” (hence the name Iran), today the country has a very diverse demography with just over half the population identifying themselves as Persian. Other significant ethnic groups include Azeris, Kurds, and Baluch, with only 3% of the population described as Arab. Thus, Iran is one of only three non-Arab nations in the Middle East (Turkey and Israel being the other two). This coupled with the fact that Iran is a Shi’a theocracy, the minority Islamic sect in a region of predominantly Sunni Muslim leaders (some with significant Shi’ite populations), has resulted in suspicious and often-strained interstate relations. Iran’s overt desire for regional hegemony further complicates political dynamics, as many Arab regimes warn of the “Shi’a agenda” and depict all Shi’ites—regardless of nationality or ethnicity—as an Iranian fifth column.

Once a superpower in its own right, many Iranians are conscious of Iran’s current diminished stature and look forward to its resurgence. The Persian Empire was the dominant world power for two centuries until it suffered a series of foreign invasions, beginning with Alexander the Great and including later incursions by the Umayyad Caliphate and the Mongols. These conquests were interspersed with periods of Persian revival, notably the Parthian, Sassanid and Safavid Empires. When Ismail I proclaimed himself shah of the Safavid Empire in 1501 CE, he established Twelver Shi’ism as the official and compulsory state religion. While this conversion reflected his personal beliefs, it also helped him consolidate power by importing loyal Shi’a religious and legal scholars into the empire who evolved into a vibrant Shi’a clergy class. Over time, Shi’ism became a way for Persians to differentiate themselves from the rest of the Islamic world, especially the Sunni Ottomans with whom they shared a highly contested border. Yet Shi’ism is not synonymous with Iranian culture, which continues to draw heavily on its pre-Islamic past. The most important holiday in Iran today, for example, is not associated with Islamic celebrations like Ramadan or Ashura. Rather, it is Nowruz, the Iranian New Year, which began as a Zoroastrian religious festival 3,000 or more years ago. Over the centuries, Muslim rulers have tried to minimize Nowruz, ban it or get rid of it entirely, but despite these efforts it remains central to Iranian culture.

The Qajars—another ruling group of Turkic origin—attempted to pick up the pieces of the crumbling Safavid Empire during the 18th century. They never recreated a strong centralized state due in part to the Shi’a clerics. Purportedly descendents of the seventh Imam, the Safavid shahs had claimed divine authority as the earthly representatives of the occultated (hidden) Twelfth Imam, which kept religion in the hands of the state and the clerics in check. The Safavid Shah Abbas actually claimed to be the “shadow of God” on earth. Rulers of the Qajar dynasty made no such claims, presenting the clerics an opportunity to assert themselves as the only authority capable of interpreting laws and religious practice. If the clerics denounced a royal decree as incompatible with Islam then the people typically accepted their rulings over that of the

shah. This influence, coupled with the clerics’ financial autonomy achieved through religious charitable donations, made them a very powerful force in Iranian politics.\(^6\)

In the 19\(^{th}\) century, geostrategic Iran was a pawn in the “Great Game,” losing almost half its territory to Russia and Britain.\(^7\) Neither power wanted to go to war over Iran so they eventually agreed to preserve it as a buffer state, even as they both continued to regularly interfere in Iran’s domestic affairs. As the century progressed, the country fell prey to a pattern of foreign economic penetration familiar throughout the imperial world: Iran exported raw materials and imported cheap finished goods, which hindered its own industrialization and economic development. A series of concessions followed in which British and Russian companies were granted monopolies over sectors of Iran’s economy while the increasingly corrupt shahs frittered away the proceeds even as they were forced to take out loans to run the state. One of the most notorious was the 1890 tobacco concession, which granted an English company the exclusive right to produce, sell, and export the entire Iranian crop. Discontent coalesced into mass protests encouraged by an alliance of the Shi’a clerics, bazaaris, and landowners. When a senior religious leader issued a fatwa declaring the use of tobacco unlawful, a near total boycott ensued until the shah canceled the concession.\(^8\)

The clerics’ enormous influence, as well as the population’s growing receptivity to political mobilization, helped spawn the Constitutional Revolution in 1905. Once again, the clerics allied with bazaaris to protest the government’s beating of several merchants accused of charging excessive prices. Events escalated after demonstrators sought refuge in a mosque, which government agents violated in order to disperse the group. Larger sanctuary protests ensued, combined with wide-scale general strikes; the demand for a majlis (parliament) to limit the shah’s powers emerged. Forced into a corner, the shah permitted a majlis elected in 1906. Its first act was to grant itself authority to write a constitution. Although the subsequent constitution, based largely on


\(^7\) Russia occupied Turkestan, Tajikistan and lands in the Caucasus region along the Caspian Sea, including portions of Azerbaijan. Great Britain took control of the Trucial States and prevented the Qajar dynasty from reasserting control over Herat and other Afghan lands previously controlled by the Safavid Empire.

\(^8\) Cleveland, *A History of the Modern Middle East*, 112-114.
that of Belgium, was breached more often than it was observed over the years, it remained in place until 1979.\(^9\)

In an attempt to ease Iran’s severe economic problems, the *Majlis* hired an American, William Morgan Shuster, as a financial advisor in 1911. He advocated bold reforms designed to collect revenue throughout the country and limit Anglo-Russian interference. Infuriated, the Russians and British—who claimed limited sovereignty over the respective spheres of influence they had established for themselves under the Anglo-Russian Agreement of 1907—demanded Shuster’s dismissal. When the *Majlis* refused, Russian troops advanced toward Tehran until the shah dismissed Shuster himself.\(^10\) In spite of the dismal outcome of the Shuster episode, it contributed to Iranians’ positive attitude towards the United States as compared to the British and Russians, whose pattern of intervention and exploitation continually grew starker. For example, there was the proposed Anglo-Persian Agreement of 1919, which was widely viewed as an attempt to establish a British protectorate over Iran, as well as the occupation of Iran by the British and Russians during both world wars despite Iran’s declared neutrality.\(^11\)

In 1921, an officer in the Persian Cossack Brigade named Reza Khan seized power and overthrew the discredited Qajar dynasty. He set about establishing strong central rule through the army and in 1926 was crowned Reza Shah Pahlavi. Reza Shah was an authoritarian reformer, modeling many of his modernization programs after those of Atatürk. This included forced westernization, the reassertion of national sovereignty in Iran’s foreign policy, and the secularization of state institutions and laws. By reducing the clerics’ role in judicial issues, constricting their financial independence through various means, and imposing some state control over religious schools and mosques, Reza Shah was able to undermine the religious establishment to an extent and thereby consolidate his own power.\(^12\)

\(^9\) Keddie, *Modern Iran: Roots and Results of Revolution*, 67-68.


Economically, Reza Shah freed Iran from the exploitive concessions granted under Qajar rule. The major exception was oil, which continued to be controlled by the Anglo-Iranian Oil Company (AIOC). The desire to be free of foreign domination, along with resentment over the enormous profits leaving the country, led to popular demands for the nationalization of the oil industry. In 1951, the Majlis headed by Muhammad Mossadeq voted to do just that. Worried about their financial interests in Iran as well as the rest of the Third World if nationalization succeeded, the British convinced the Americans that Prime Minister Mossadeq was developing dangerous ties with the Soviet Union and had to go. The two countries plotted to overthrow him in a CIA-organized coup in 1953, marking the beginning of US intervention in Iran and shaping Iranian attitudes toward the United States to this day.  

**US-Iranian Relations**

Prior to 1953, US-Iranian relations were characterized by Iran’s drive for a policy of “positive equilibrium,” in which it sought to increase US involvement in the country in an effort to balance Russia and Britain. With only missionary and minor economic interests in Iran, however, the United States maintained a policy of detached observation. That, in conjunction with American rhetoric about freedom and self-determination, left Iranians with a very high opinion of the United States as compared to the British and Russian “looters.” After Prime Minister Mossadeq—who was trying to implement a new policy of “negative equilibrium” that sought to prevent any foreign power from violating or compromising Iran's independence—nationalized Iran’s oil, the British shut down the oil industry, imposed crushing economic sanctions, a naval embargo, and even went to the World Court, but Mossadeq would not back down. Instead, he closed the British embassy. With no agents left in Iran to orchestrate their option of last resort—a coup d’état—the British turned to the United States for help. President Truman refused to get involved, but when Eisenhower took office he was eventually convinced that if Mossadeq stayed in office the Communists would come to power through his assassination or coup. That fear drove the decision to take preemptive

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14 Bonakdarian, "U.S.-Iranian Relations, 1911-1951."
He sent a CIA agent, Kermit Roosevelt, to Iran with a bag of money to execute Operation Ajax in August 1953. Initially, the coup looked like it had failed and massive rioting broke out over the exposed plan. Mohammad Reza Shah Pahlavi, who was complicit in the foreign inspired plot, fled the country for Rome. Pro-shah forces, supported by a majority of the Shi’a clerics who were strongly opposed to Iran’s Communist Tudeh party, and demonstrators (some of whom were encouraged by CIA-paid agents), defeated Mossadeq’s supporters in a second coup a few days later and the shah returned to Iran. Most Iranians knew the British and Americans were involved, but while this was expected British behavior, they felt utterly betrayed by the highly respected United States. Bitter memories of the 1953 coup and the United States’ reinstatement of the deposed shah would have profound effects in 1979.

After 1953, the shah’s rule became increasingly repressive as he sought to spur economic development with his White Revolution and turn Iran into a regional power. The United States, absorbed in Cold War calculations that saw Iran as a pillar against Soviet expansionism in the oil-rich Gulf, became the dominant foreign power in the country as it poured in money and military aid to increase stability and guard against Communist subversion. In effect, the United States adopted versions of the reviled British imperialist policies, especially the blind backing of the authoritarian shah. Numerous US advisors helped organize and train the shah’s armed forces, assist in development projects, and most notoriously, set up the shah’s internal security service, SAVAK, which became renowned for its brutality. SAVAK, trained by the CIA and Israeli Mossad, jailed, tortured and executed thousands of Iranians throughout the 1960-

17 Kinzer, All the Shah’s Men: An American Coup and the Roots of Middle East Terror; Barrett, The Greater Middle East and the Cold War: US Foreign Policy under Eisenhower and Kennedy, 14, 332n319.
18 Keddie, Modern Iran: Roots and Results of Revolution, 130-131.
19 Deborah J. Gerner and Jillian Schwedler, eds., Understanding the Contemporary Middle East, 2nd ed. (Boulder, CO: Lynne Rienner Publishers,2004), 67; Barrett, The Greater Middle East and the Cold War: US Foreign Policy under Eisenhower and Kennedy, 14.
70s. The jailed included several officials in the current Islamic government. Some of the visceral hatred toward the United States and Israel felt by some in the current Iranian regime is frequently attributed to this relationship.

By the mid-1970s, there was widespread discontent caused by the shah’s authoritarian regime, mismanaged socioeconomic reforms that benefited some classes at the expense of others, and the growing gap between the ruling elite and the disaffected populace. The United States’ reputation continued to decline as it was increasingly viewed as the shah’s puppet master. US demands, like the Status of Forces Agreement (SOFA) pushed by the Kennedy administration, only made matters worse. In exchange for military aid, the SOFA required the Iranian government to give up its right to try US military and aid personnel in Iranian courts for crimes committed in Iran. “This smacked of the old concession system…and, perhaps as much as any other issue, branded the United States a colonial power.” Furthermore, the presence of tens of thousands of Americans, who flouted social traditions and whose high salaries contributed to rampant inflation, were seen as an impingement on Iran’s independence and national honor. Condemnation of this issue led to Ayatollah Khomeini’s exile from Iran; he said that it “reduced the Iranian people to a level lower than that of an American dog.” In the end, it was perceived undue foreign influence, along with the mounting socioeconomic discontent—not religious fervor—that created an opening for Khomeini’s populist Islamic ideology and calls to overthrow the shah.

The Iranian Revolution

In the 1960-70s, the mosques became progressively politicized as the shah left no other avenue open for political expression and organization. Students and intellectuals began supporting the clergy and Third Worldist “revolutionary ideas in religious garb”

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20 Keddie, Modern Iran: Roots and Results of Revolution, 134.
emerged.\textsuperscript{25} The advantage of organizing through the religious establishment was that the nationwide network of mosques and charitable organizations crossed class and social boundaries. Thus, in addition to intellectuals and nationalists, the urban poor and rural communities—who were particularly influenced by the clerics—were also mobilized. Protests became more common after 1977, when the shah, forced to abide by President Carter’s demands for greater human rights, eased restrictions on speech and assembly.

By 1978, anti-shah demonstrations were truly popular and the regime’s forces began violent crackdowns, killing dozens and hundreds at a time. Those taking to the streets included nationalists, Marxists, labor leaders, merchants, intellectuals, students, and clergy. By the end of the year military conscripts, repulsed at the constant killing of unarmed demonstrators, joined them.\textsuperscript{26} None of the opposition groups were strong enough to take on the regime alone, however, so they gradually coalesced under the best organized and most popular—the Shi’a clerics, particularly the dynamic Ayatollah Khomeini.\textsuperscript{27} Faced with the widespread uprisings, Muhammad Reza Shah left Iran for an extended vacation on January 16, 1979. Khomeini returned from his exile in Paris two weeks later and declared Iran a new Islamic Republic.

After the Shah fled Iran, he wandered the world until, sick with cancer, he requested permission to go to the United States for medical treatment. Despite warnings that his admission would harm the fragile relations the United States was trying to reestablish with Iran’s new government, the Carter administration, encouraged by Henry Kissinger and David Rockefeller, agreed to let him enter on humanitarian grounds.\textsuperscript{28} Iranians, recalling the 1953 Mossadeq coup, feared the United States would try to return the shah to his throne once again and became enraged. In November 1979, militant students stormed the US embassy in Tehran, taking 52 Americans hostage, and demanded the shah be returned to Iran to stand trial for his crimes. President Carter refused. The shah left the United States after only a few weeks, eventually going to Egypt were he

\textsuperscript{25}‘The Continuum Political Encyclopedia of the Middle East,’ 384.
\textsuperscript{26}Cleveland, \textit{A History of the Modern Middle East}, 415-417.
\textsuperscript{27}Gerner and Schwedler, eds., \textit{Understanding the Contemporary Middle East}, 71.
died a few months later. The standoff between the United States and the Islamic government, however, dragged on for 444 days.

The hostage crisis had several far-reaching consequences. First, although it is widely believed that Ayatollah Khomeini did not have foreknowledge of the attack on the US embassy, once it occurred he lent the students his tacit support. This undermined the Provisional Revolutionary Government’s capability to intervene and secure the hostages’ release. The left-leaning Provisional Revolutionary Government, which was comprised of various factions of the revolution and tasked with governing until a new constitution came into force in December 1979, resigned in protest. Second, selective documents released from the US embassy identified moderate Iranians that had been meeting with the Americans in an effort to rebuild ties, discrediting them as well. Third, the event created an emergency situation in which debate and criticism, particularly of the draft constitution, was considered treacherous. Khomeini warned that failure to support the constitution would demonstrate disunity and would provoke an attack by the United States. The cleric-drafted constitution, which required all laws and regulations to be based on Islam, was adopted the following month with 98.2% of the popular vote. Thus, the hostage crisis facilitated the Khomeinists’ hijacking, radicalizing and Islamizing of the popular revolution.

Finally, the hostage crisis was a major source of humiliation for the United States. As a superpower, it was unthinkable that an upstart band of “mad mullahs” would dare violate international norms and endanger American diplomats while leaving no channel open to resolve the crisis. Timing also contributed to the United States’ sensitivity. The hostage crisis was associated with several other challenges to American interests in the region, including the siege of Mecca, the burning of the US embassy in Pakistan, the Soviet invasion of Afghanistan, and the beginning of the Iran-Iraq war. Furthermore, with the event televised nightly on US news and coming so quickly after the US defeat in

32 William O. Beeman, *The "Great Satan" Vs. The "Mad Mullahs": How the United States and Iran Demonize Each Other* (Westport, CT: Praeger Publishers, 2005), 137.
Vietnam, it was more than many Americans could stomach. As a result, the hostage crisis became embedded in the American consciousness and many believe it continues to color US perceptions and policies toward Iran today. Others assert that US policies are simply prudent responses to Iran’s dangerous, ideologically driven behavior.

### Ideology of The Islamic Republic of Iran

Iran’s ideology is often depicted as Islamic fanaticism, yet few go beyond inflammatory labels to identify just what the ideology entails. Importantly, Iran’s Islamic ideology must be distinguished from the religion of Islam itself. Ideologies are inherently political. They are comprised of a specific set of beliefs, ideas, and values that inform worldviews and shape social and political arrangements. While Islam has been inextricably linked with politics since its revelation, and includes some socioeconomic and political codes of conduct, there is no consensus on the form or function of an Islamic political system. Thus, there is no single Islamic ideology.

Nor should Iran’s Islamic ideology be equated with Twelver Shi’ism. Within this minority sect of Islam there is a great deal of diversity and difference of opinion on the relationship between religion and politics. For instance, there are the quietists, frequently epitomized by Grand Ayatollah Ali al-Sistani in Iraq, that believe the role of the clerics is to teach and defend the faith, not to rule or get entangled in politics. Then there are communalists that actively seek inclusion within their particular nations, such as many Shi’ites in Iraq, Lebanon and Pakistan. They tend to emphasize modernist notions of pluralism, equality of rights and citizenship dissociated from religious identity. There are numerous other shades within Twelver Shi’ism, including those who adhere to Ayatollah Khomeini’s concept of *velayat-e faqih*, or rule of the jurisprudent. The main point is that Iran’s ideology must be treated as a distinct set of political beliefs influenced by Khomeini’s interpretation of Islam, Iran’s unique history and geopolitical situation.

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Khomeini never articulated a precise ideology. His objective was a state
governed by shari’a (Islamic law) and permeated by Islam in such a way that it
functioned like an ideology.\textsuperscript{36} He was persistently ambiguous about the details of his
political system, other than the central role held by the clerics and that it would be based
on Islam. Yet even on this point he wavered. In July 1988, when contradictions between
the shari’a and bills the Majlis was trying to pass became problematic, Khomeini wrote
President Ali Khamenei a letter declaring that the Islamic state constitutes one of the
primary ordinances of Islam and has precedence over all other religious laws. Therefore,
the Supreme Leader could suspend shari’a when it was in the interest of the country and
Islam to do so.\textsuperscript{37}

To garner popular support and draw revolutionary factions to his side, Khomeini
borrowed heavily from other ideologies—particularly those of the populist left. For
example, much of his rhetoric revolved around the Third-Worldist notion of freeing the
mostazafin (the oppressed and deprived), which appeased the Marxists and attracted the
poor to his cause. Yet Khomeini never explained how he would do this, nor even
articulated his views on how an Islamic economy would function. In fact, after the
revolution succeeded Khomeini famously remarked, “Iran’s Islamic Revolution was not
about the price of melons.”\textsuperscript{38}

Although Khomeini never promulgated a comprehensive ideology, the Islamic
Republic undoubtedly emerged as an ideological state. Two overarching ideological
themes emerged during the formative years of the Revolution and were reinforced during
the Islamic Republic’s first decade under Khomeini’s rule. These themes—the “export of
the Islamic revolution” and “neither West nor East”—are present in Khomeini’s own
speeches and writings, ideas regularly emphasized by the regime, and the Iranian

\textsuperscript{36} Vanessa Martin, \textit{Creating an Islamic State: Khomeini and the Making of a New Iran}
\textsuperscript{37} Asghar Schirazi, \textit{The Constitution of Iran: Politics and the State in the Islamic
\textsuperscript{38} Robin Wright, ed. \textit{The Iran Primer: Power, Politics, and U.S. Policy} (Washington,
DC: United States Institute of Peace, 2010), 95.
constitution—the mission of which “is to realize the ideological objectives of the movement.”

**Exporting the Islamic Revolution**

The key to Khomeini’s Islamic state is the concept of *velayat-e faqih*, rule of the jurisprudent. Khomeini suggested that the Shi’a clerics had always been the guardians of the state, as was evident during the Safavid era, but it had become necessary to formalize this responsibility. He argued that while sovereignty ultimately belongs to God, rule on earth by the Prophet Muhammad, the infallible Imams and, by extension, the clerics that have expertise in *shari’a* was legitimate. The *faqih*, or Supreme Leader, has both temporal and spiritual authority until the Hidden Twelfth Imam appears as the *Mahdi* to establish the just and equitable rule of an Islamic world government. As the only true Islamic state, Iran will help pave the way for this government by spreading justice throughout the world. Thus, according to Khomeini’s ideology, Iran is obligated to export the Islamic revolution. Whether that exportation should result in the spread of Islamic states that adhere to *velayat-e faqih* or a general pan-Islamic vision depends on whether the audience is internal or external to Iran.

According to the Iranian constitution, “the Army of the Islamic Republic of Iran and the Islamic Revolutionary Guards Corps (IRGC)...will be responsible not only for guarding and preserving the frontiers of the country, but also for fulfilling the ideological mission of jihad in God's way; that is, extending the sovereignty of God's law throughout the world.” Export of the revolution became Iran’s official foreign policy in October 1981, when radical Foreign Minister Mir-Hossein Musavi’s committee to determine the basis of foreign policy from an ideological perspective drew up a plan for a worldwide Islamic front. An Islamic Revolutionary Council served as an umbrella organization for armed groups throughout the region that were in opposition to Saddam Hussein or other rulers in the Gulf that supported him, such as the Supreme Council of the Islamic

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42 Iran, "Constitution of Iran."
Revolution in Iraq (SCIRI) and the Islamic Front for the Liberation of Bahrain.\textsuperscript{44} Despite the officially stated link between the armed forces and the exportation of the revolution,\textsuperscript{45} Khomeini frequently declared that “swords” should not be used and even ruled that armed force in war is only permissible in self-defense.\textsuperscript{45} The problem is in defining what constitutes self-defense, particularly from the ideological perspective that places Islam above territorial rights. Throughout the Iran-Iraq war, for instance, Khomeini encouraged the support of these armed groups as part of a “defensive” mobilization.

There has never been consensus among Iran’s ruling clerics on how to export the revolution—whether by example or through force. Khomeini repeatedly advocated exporting the revolution through the example of Islamic behavior, to include publicity and propaganda, as well as through missionary work. For example, he encouraged Iranian athletes traveling abroad to “behave in such a way that these large gatherings [that come to see your achievements] are attracted to Islam through your action.”\textsuperscript{46} In actuality, however, he left the nature and manner of exportation open.\textsuperscript{47} Ayatollah Hosain Ali Montazeri, the cleric chosen to succeed Khomeini as Supreme Leader until his forced resignation in 1989, originally supported the more activist approach. For instance, he maintained an Office for Islamic Liberation, which maintained contacts with revolutionary groups in several African and Asian countries, in particular the Lebanese Hizballah.\textsuperscript{48} The constitution supports this activity in Article 154: “…while scrupulously refraining from all forms of interference in the internal affairs of other nations, (Iran) supports the just struggles of the freedom fighters against the oppressors in every corner of the globe.”\textsuperscript{49} In the end, while the preferred method is debatable and varies by faction, Iranian ideology explicitly calls for the exportation of the Islamic revolution.

\textsuperscript{44} Eva Partricia Rakel, "Iranian Foreign Policy since the Iranian Islamic Revolution: 1979-2006," \textit{Perspectives on Global Development and Technology} 6 (1 June 2007): 167.
\textsuperscript{45} Ramazani, \textit{Revolutionary Iran: Challenge and Response in the Middle East}, 25.
\textsuperscript{46} Ramazani, \textit{Revolutionary Iran: Challenge and Response in the Middle East}, 26.
\textsuperscript{49} Iran, "Constitution of Iran."
“Neither West nor East, but Islam”

Khomeini expanded the rationale for exporting the revolution to include not only preparing for the establishment of an Islamic world order when the Mahdi appears, but the shorter-term need to safeguard the Iranian state from oppressive superpowers and neighbors. Khomeini completely rejected the role the superpowers played and the international system they dominated, advancing instead a new, philosophically distinct, Islamic way. Much of his rhetoric against the external powers was reminiscent of Third Worldist slogans from Latin America, such as “The oppressed nations of the world should unite against their imperialist oppressors.” The “Great Satan” (the United States), the “Lesser Satan” (the USSR), and all the “mini-Satans” (the Gulf Arab states aligned and subservient with either of the superpowers) were all viewed as imperialist states or their stooges. Anti-imperialism became a rallying cry of the Islamic regime, although they did not use the term in its strict socioeconomic sense. Rather, anti-imperial often meant anti-non-Islamic, which was defined as opposition to Iran.

Nevertheless, it would be a mistake to attribute Iran’s distrust of the international system solely in terms of religious and cultural differences or xenophobia. Iran’s historical experiences contributed much to its fear of outside influence—including social, cultural, political and economic intrusions. The revolution was, after all, a reaction to the encroaching westernization under the Shah. Security requires true independence—a guiding principle of Iran’s ideology. As such, the constitution repeatedly guards against compromises of Iran’s independence. Article 3 calls for “the complete elimination of imperialism and the prevention of foreign influence.” Article 152 states, “The foreign policy of the Islamic Republic of Iran is based upon the rejection of all forms of domination, both the exertion of it and submission to it, the preservation of the independence of the country in all respects and its territorial integrity, the defense of the

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50 Ramazani, Revolutionary Iran: Challenge and Response in the Middle East, 24-25.
52 Ramazani, Revolutionary Iran: Challenge and Response in the Middle East, 22-23.
53 Rahnema and Nomani, The Secular Miracle: Religion, Politics, and Economic Policy in Iran, 4-5.
rights of all Muslims, nonalignment with respect to the hegemonist superpowers, and the maintenance of mutually peaceful relations with all non-belligerent States.”

One of the ways to achieve true independence is through self-sufficiency. Article 3 calls for “the attainment of self-sufficiency in scientific, technological, industrial, agricultural, and military domains, and other similar spheres.” Economic matters are entwined with all these areas and thus receive more attention in Iran’s constitution than in most western countries. The test of true economic independence was seen as the ability to take care of basic needs through domestic means, enabling the country to withstand ‘imperialist’ pressures by relying on internal resources. Article 43 explicitly calls for the economic independence of society and the prevention of foreign economic domination over the economy. Article 153 forbids “any form of agreement resulting in foreign control over the natural resources, economy, army, or culture of the country, as well as other aspects of the national life.” Leery of any opening that could be exploited, Article 82 forbids the employment of foreign experts unless absolutely necessary and only with the approval of the Islamic Consultative Assembly. Even after the Iran-Iraq war when the country was in desperate need of rebuilding, Khomeini reiterated the doctrine of neither West nor East, calling for reconstruction without dependence on the superpowers. In short, the economy was viewed as a means, not an end; the ideological requirement to resist foreign intervention and influence, particularly from the imperialist West, was paramount.

Overall, Iran’s Islamic ideology is a product of its history, Ayatollah Khomeini’s unique interpretation of Islamic jurisprudence, and the practical necessity of consolidating a diverse popular revolution. Khomeini’s charismatic leadership along with the Iran-Iraq war perpetuated the ideological zeal and revolutionary rhetoric of the Islamic regime through much of the 1980s, including the predominant themes of “exporting the revolution” and “neither West nor East.” Whether or not that ideology continued to drive Iran’s foreign policy after the war and into the 1990s under the presidency of Akbar Hashemi Rafsanjani is the subject of the next chapter.

57 Amuzegar, *Iran's Economy under the Islamic Republic*, 128.
Akbar Hashemi Rafsanjani was one of the primary architects of the Iranian Revolution. As an early and trusted supporter of Ayatollah Khomeini, he is arguably a true believer in the Islamic Republic. In his rhetoric during Friday prayers in Tehran, political speeches, and in interviews with the press, he has often championed the Supreme Leader and the rightness of the Islamic regime. Whether or not he promoted Khomeini’s ideology mandating the export of the revolution and the doctrine of “neither West nor East” in both words and deeds during his presidency, or instead practiced the pragmatism that is widely attributed to him, is the subject of this chapter.

Background

Born in 1934, near the town of Rafsanjan in central Iran, Rafsanjani comes from a family of pistachio merchant-farmers. Although his family was religious, they were not sayyids—direct descendants of the Prophet Muhammad—which is why he wears a white, not a black, turban. When he was fourteen, he moved to the holy city of Qom to study Islamic jurisprudence. Ten years later he was one of the original young theology students rallying around Ayatollah Khomeini and his call for revolution.1 During this time, Rafsanjani’s sermons denouncing the shah’s White Revolution were so enthusiastic the Pahlavi regime tried to silence him by illegally drafting him into the army. His zeal could not be contained, however, and when Rafsanjani began to preach to the other conscripts he was dismissed.2 After Ayatollah Khomeini was exiled from Iran in 1964, Rafsanjani became his chief fundraiser inside the country as he continued to foment for change along with his fellow students, including Ali Khamenei. Over the following two decades he was imprisoned numerous times, bolstering his revolutionary credentials with several years spent in the Shah’s prisons, including torture at the hands of SAVAK agents.

1 Iran: The Essential Guide to a Country on the Brink
During the revolution, Rafsanjani was one of Khomeini’s chief lieutenants and a key member of the Revolutionary Council, part of an Islamic shadow government that operated parallel to and often at odds with the Provisional Revolutionary Government. He helped draft the constitution and facilitate the Islamists’ hijacking of the popular revolution. He served as the acting Minister of the Interior until he was elected to the Majlis in 1980, where he quickly became its Speaker and most dominant voice. Rafsanjani gradually emerged as one of the most powerful figures in the Iranian government, second only to the Supreme Leader Ayatollah Khomeini himself.

Toward the end of the Iran-Iraq war in 1988, Khomeini appointed Rafsanjani as the Acting Supreme Commander of the Armed Forces—a constitutional responsibility of the Supreme Leader—with the goal of preventing a military collapse. As part of his duties, Rafsanjani was discussing a change in mobilization policy in a news conference when he pragmatically added, “we should stress that we have also left the road to a nonmilitary end to the war open.” The next day, the USS Vincennes accidentally shot down an Iranian civilian airliner killing all 290 on board. Interpreting this as a sign that the United States would never let the Islamic Republic win the war, Rafsanjani is widely credited with convincing the Supreme Leader that a cease-fire was necessary to prevent Iran’s total defeat. The extent of persuasion needed was evident in Khomeini’s statement approving United Nations Resolution 598: “taking this decision was more deadly than taking poison.”

In the early days of the revolution, Rafsanjani seemed to favor pragmatism over ideological rhetoric. When the American hostage takers were demanding the return of the exiled Shah in 1980, he offered an interesting solution to one reporter: "If the Shah

3 Keddie, Modern Iran: Roots and Results of Revolution, 245.
4 Iran: The Essential Guide to a Country on the Brink 149.
dies, that would help.” When asked if the revolution had been well exported in the world in the ten years since the Shah’s ouster, Speaker Rafsanjani replied, “Our aim was never to export the revolution by force or by interfering in the affairs of others.” Blaming this interpretation on Zionist and western propaganda, he went on to say, “If the meaning of exporting the revolution is to bring our message to people’s ears, I must say that our aims are not yet sufficiently clear in the minds of the people of the world.”

Pragmatism should not be confused with a secular orientation, however. Rafsanjani upheld the values and beliefs of the revolution and Ayatollah Khomeini. For example, after the Supreme Leader issued a fatwa sentencing the British author Salman Rushdie to death due to his novel “The Satanic Verses,” Rafsanjani refused to oppose the ruling. He did, however, offer another solution. During Friday prayers in Tehran, he said the only way to calm the storm between Muslims and the book’s supporters was to ban and destroy the book, adding that the uproar was the unfortunate result of the West not understanding Islam.

After Ayatollah Khomeini’s death in June 1989, Rafsanjani helped orchestrate the appointment of his old friend and ally, President Ali Khamenei, as the next Supreme Leader. The following month Rafsanjani, one of only two candidates out of 79 applicants approved to run for president by the Council of Guardians, was elected with a 94.5% majority. He was reelected for a second term in 1993, although with a much smaller margin.

Rafsanjani’s political tendencies have varied over time. A Jane’s Foreign Report from 1988 quoted an American “in the know” who was asked about his real political line and said, “It’s pro-Rafsanjani.” His chameleon-like ability to move between factions when it suits his purposes, while avoiding the hardliner label, has characterized his

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9 "Rafsanjani Discusses Rushdie in Friday Prayers," Tehran IRNA, 10 March 1989, in Foreign Broadcast Information Service (FBIS), FBIS-NES-89-046.
political career. Although he is generally considered a pragmatic centrist who tends to be economically conservative yet flexible on social issues, in the run up to his 1989 election he allied with hardline, statist IRGC members.

His campaign rhetoric reflected this alliance, culminating during a Friday sermon in a call to kill Westerners. “If for every one Palestinian martyred in Palestine today, they execute five Americans, or English, or French—outside Palestine, not inside—such wrongdoings will not be repeated. It is not difficult to kill the French or Americans, although it is somewhat difficult to kill the Israelis, as they are a bit scarce.” Knowing his comments would outrage the West, Rafsanjani shrugged it off saying, “Now they will say that so-and-so, as a man in charge, and as the speaker of Parliament, has officially called for acts of terror. But let them say it. Aren’t they saying it now?” A few days later, however, Rafsanjani withdrew his calls for Palestinians to kill Westerners, saying he had only been analyzing the Middle East situation and that his comments had been distorted.

After securing the presidency Rafsanjani returned to his more pragmatic and moderate speech. He recognized that he had the daunting task of reconstructing Iran. With the bloody eight-year war with Iraq over and no other existential emergencies at hand, his was the first Islamic government that had to truly govern. In his inauguration speech, he made none of the typical attacks on the United States; instead he talked about striving for political, economic and cultural independence—in line with the doctrine of “neither West nor East”—stressing economic reforms above all else. Signifying that times had changed, he admonished that it was no longer acceptable to say “the poor and

hungry people should charge forward with empty stomachs to get killed.” Rather, Iran needed to focus on getting domestic industries and production up and running.

He warned hardline radical factions that they would have to drop their extremism in favor of a vigorous economic recovery program, yet factionalism impeded Rafsanjani’s reforms throughout his presidency. The radicals wanted to continue to “fight imperialism, to fight the world, to use only internal, native resources for reconstruction.” The pragmatists, on the other hand, were convinced that reconstruction would fail without a cautious rapprochement with the West. The current president and soon-to-be Supreme Leader, Ali Khamenei, took the middle ground, saying, “Iran should not incur foreign debts in its reconstruction efforts because debts bring foreign dependence and domination, but the country should welcome foreign technical expertise.” Even though Rafsanjani had significantly more power as president than Khamenei ever had due to the amended constitution, and was widely believed to be the most powerful man in Iran after Khomeini died, he could not achieve his goals on his own. Fortunately for him, Khamenei—who was not yet able to fully exert the power inherent in his position as Supreme Leader—tended to support his agenda. The two men essentially exercised “dual leadership,” particularly in Rafsanjani’s first presidential term, replacing ideology and mobilization with pragmatism and economic reconstruction.

Foreign Economic Policies

Rafsanjani introduced the first of Iran’s five-year economic plans coupled with free market reforms that reversed many of the statist measures implemented since 1979. These efforts were necessary to attract much needed foreign investment and qualify for loans from international financial institutions in order to achieve his goals of rebuilding the crumbling infrastructure (an estimated $450 billion worth of damage), establishing a

18 Ahmad Ashraf, Ervand Abrahamian, and James Paul, "'There Is a Feeling the the Regime Owes Something to the People',' MERIP Middle East Report, no. 156 (January-February 1989): 17.
21 Arjomand, After Khomeini: Iran under His Successors, 137.
modern industrial-based economy, and integrating into the global market.\textsuperscript{22} Perhaps for popular legitimacy or to curb criticism from the hardliners, he presented his foreign economic policies in ideological terms. Discussing the five-year plan during prayers, he said, “Our nation has not yet come to know what the basis of true independence is. It still thinks it can preserve itself only by severing relations. It does not know that by maintaining strong relations and having the upper hand it can show its revolution to the people in a better way.”\textsuperscript{23} Thus, to implement his reforms Rafsanjani reframed the concept of exporting the revolution while also appealing to the Iranian desire for independence. He adjusted the concept of “neither West nor East,” stating: “This means that we will not accept control over our lives. Under no circumstances will we allow our revolution and our country to be affected by the wishes of the East or the West…This does not mean we want to darken our relations with countries that want healthy relations with us.”\textsuperscript{24} A few days later he expounded on this idea saying, “This policy means healthy relations by negating expansionism and hegemony and by preserving independence, which is one of the most important foundations of our policy, both at home and abroad.”\textsuperscript{25}

Rafsanjani pursued economic ties and improved relations around the world. Although his efforts were not always successful, his charm offensive led to Iran’s surprising emergence on the international scene after a decade of severe isolation.\textsuperscript{26}

**Engaging the East**

The Islamic Republic under Ayatollah Khomeini had little use for the Soviet Union—the “Lesser Satan.” Aside from memories of imperial Russia and the Great Game, the Soviets were staunch atheists and they supported Iraq during the Iran-Iraq war. The Islamic Republic’s attitude changed in 1989, when Speaker Rafsanjani visited Moscow and signed a declaration for a long-term program of economic, commercial,
scientific, and technical cooperation. He even discussed putting an Iranian astronaut into space aboard a Soviet craft. Rafsanjani justified this new relationship, claiming Khomeini himself had “set the path” by writing a letter to President Gorbachev in 1989, and accepting Soviet Foreign Minister Shevardnadze in Tehran when he would not see any other foreign minister. This change of heart, he claimed, was due to the Soviet’s recent glasnost reforms, notably its greater tolerance of religion. Rafsanjani acknowledged the delicacy of the situation in a sermon following his visit to Russia. “Lucky this took place in the Imam’s time. If this would have happened after the Imam, it would have been difficult for us, because some would say the No East, No West thesis would be breached.” He ended the sermon by thanking the crowd for their discernment in eliminating the slogan “Death to the Soviet Union.”

Iran’s relationship with the Soviet Union flourished even as Moscow was suppressing secessionist movements in its southern Muslim-populated republics. While elements inside Iran were condemning Soviet actions, such as its “Black January” massacre of 132 Azeris in Baku in 1990, Rafsanjani was accelerating cooperation with Moscow. When he was asked about Gorbachev’s policy toward the Soviet Islamic republics in a news conference six months after the massacre, he replied, “…the freedoms given are praiseworthy. For the first time since the Soviet Marxist revolution, Muslims feel free. We welcome that policy and hope the trend will continue.”

It came down to the pragmatic calculation that a cooperative relationship with Moscow would benefit Iran more than any gains from exporting the revolution and supporting the secessionist movements, thus the regime only provided rhetorical support. In the same news conference cited above, Rafsanjani once again justified Iran’s relationship with the Soviets:

As to the policy of neither East nor West, the essence of it is that our country must not submit either to the domination of the East or of the

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West. When we used to say East and West we meant Marxists and Westerners; the communists and the capitalists. We are neither subject to communists nor the capitalists. We adopted independent policies in our foreign relations, in our domestic issues, in the economy and culture. We had our own stance. Adopting such a stance does not mean that those policies are at variance with being neither Eastern nor Western. We have had ties with both the East and the West.” He concluded by saying, “…relationships are not the issue. What is at stake is their dominance and their influence which may penetrate our policies.  

If the collapse of communism did not reassure the Islamic Republic that pursuing relations with Russia was the right course of action, the dramatic increase in the United States’ military presence in the region after the 1990 Gulf War did. The desire to balance that presence and deter potential US aggression required strong allies and military rearmament, both of which the Soviets provided. Thus, when the Soviet Union broke up, Iran did not view it as an opportunity to export the revolution. Rather, it saw a once stable northern border descend into a conflict-ridden zone that might seep into Iran. 

With stability and the pursuit of economic opportunities in the Caspian region foremost in mind, Rafsanjani cooperated with the new secular regimes that emerged in the Muslim republics, emphasizing its Persian culture over its religious identity when convenient. Iran quickly established good relations with not only the newly independent Muslim states of Tajikistan, Turkmenistan, Kazakhstan, Uzbekistan, Kyrgyzstan and Azerbaijan, but with Armenia and the Ukraine as well. Estimating there was an $8-10 billion market for Iranian exports in Central Asia, Iran facilitated their membership into the Economic Cooperation Organization in 1992, and promoted Iran as an economic bridge for their international exports via the Gulf.

Rafsanjani’s pragmatic prioritization of economic and security policies over Khomeini’s Islamic ideology is readily apparent in his interactions with the former Soviet republics. For instance, when Christian Armenia and Shi’a Azerbaijan descended into

30 “Hashemi-Rafsanjani Holds News Conference.”
31 Shaffer, "The Islamic Republic of Iran: Is It Really?,” 226-227.
33 Arjomand, After Khomeini: Iran under His Successors, 142-143.
conflict over Nagorno-Karabakh, Iran—officially neutral—unofficially supported Armenia over Azerbaijan, despite its own large Azeri population. This was due to better economic prospects in Armenia as well as the desire to keep Azerbaijan somewhat unstable so Baku would not present an attractive example for an Iranian Azeri secessionist movement.\textsuperscript{34} Despite calls for Islamic solidarity from hardline Iranian factions, Rafsanjani cooperated extensively with Armenia during and after the war. He only employed anti-Armenian rhetoric when state interests were threatened or domestic pressure heated up. So while Supreme Leader Khamenei issued statements like, “…the religious faith of the Muslim people took precedence over any other consideration,” and “the Armenian Government and the Armenians of Karabakh are imposing injustices on the Muslims of the region,” Rafsanjani’s government was supplying fuel to Armenia and improving transportation links that were crucial to their war effort.\textsuperscript{35} He even sponsored an exclusive exhibition for Armenian industries in Tehran a week after issuing a warning to Armenia that Iran would not remain indifferent to its continued aggression.\textsuperscript{36}

Other notable examples of pragmatism overruling ideology include Iran’s continued cooperation with Russia despite the Muslim insurgency in Chechnya (1994-1996) and its efforts to broker a settlement to the civil war in Tajikistan between Islamist forces and ex-Communists.\textsuperscript{37} In the case of Chechnya, Rafsanjani showed rhetorical solidarity with the Chechen Muslims. In a meeting with a Georgian envoy, he discussed the ongoing military action in Chechnya and expressed hope for a peaceful end, saying, “The reflection of such an approach will have adverse effects on relations between Russia and Islamic states and will ignite the fire of hatred and revenge in the hearts of people.

\textsuperscript{34} Shaffer, "The Islamic Republic of Iran: Is It Really?," 229.
\textsuperscript{35} "Khamene'i Addresses Citizens of Tabriz," Tehran IRIB Television First Program Network, 27 July 1993, in Foreign Broadcast Information Service (FBIS), FBIS-NES-93-143.
Such measures will jeopardize regional cooperation as well and make newly independent states apprehensive about the future preservation of their independence and security.”

At the same time, his Foreign Minister, Ali Akbar Velayati, was in Moscow declaring that Iran never had and never would give Chechnya any assistance. He asserted that the Chechen problem was an internal affair of Russia. In fact, Russian-Iranian cooperation during this time grew closer as the number of Iranian delegations visiting Moscow increased significantly, eliciting further economic and military assistance, including contracts for modern weaponry such as Kilo-class submarines.

Iran also worked with Russia to end the civil war in Tajikistan (1992-97) between Moscow’s former communist allies and a democratic-Islamist alliance. Although Iran originally provided support to insurgents affiliated with the Islamic Renaissance Party of Tajikistan, in 1993 Tehran abandoned these efforts to export the revolution and demonstrate Muslim solidarity in favor of strengthening ties with Moscow. Iran halted its support to the Islamists and worked to facilitate negotiations between the opposing camps, encouraging support of the local Russian ally. Rafsanjani was criticized by hardliners inside the country for this change in policy, as an anonymous commentary in a Tehran newspaper “reminding” the government of its responsibilities demonstrates: “Undoubtedly, the Islamic Republic of Iran will not forget the oppressed Muslims of Tajikistan in these difficult days and will—as has been stressed repeatedly by the leader of the Revolution, His Eminence Ayatollah Khamene’i—support their just aspirations to attain freedom and independence.”

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39 “Iranian Foreign Minister Denies Iran Assisting Chechnya,” Moscow INTERFAX, 30 November 1994, in Foreign Broadcast Information Service (FBIS), FBIS-SOV-94-231.
41 Shaffer, “The Islamic Republic of Iran: Is It Really?,” 235. There is evidence that some Iranian agencies continued clandestine support for the IRP, but this was not official Iranian policy.
Rafsanjani weathered these criticisms and as a result Russian-Iranian commercial and economic agreements during his presidency flourished. They included plans for a new rail system to connect the countries, joint oil and gas projects, industrial development projects and military deals that allowed Iran to buy weapons, including fourth generation fighter aircraft.\textsuperscript{44} In 1995, Russia even agreed to finish construction of a large nuclear power reactor in Bushehr, despite intense opposition from the United States.

**Moving Farther East**

The People’s Republic of China provided considerable support to the Shah prior to 1979. Because of this, and along with its communist and atheist outlook, resentment and mistrust initially characterized the Islamic Republic’s perceptions of the Chinese government—although never to the extent of the United States and USSR. During the revolution, for example, Khomeini declared in a speech: “Our youth must know that China and Russia, like the US and Britain, feed on the blood of our people. My request to you is to avoid the slogans that play into the hands of the Shah and try to be independent without any inclination toward East or West.”\textsuperscript{45} Thus, China was initially included in the “East” and therefore subject to Khomeini’s “neither East nor West” policy. This began to change in the 1980s, due to Iran’s need for arms and China’s willingness to provide them despite its declared neutrality in the Iran-Iraq war. Iran was impressed with China’s willingness to stand up to US demands, which demonstrated its “independent” nature, along with China’s Third World orientation. By the second half of the decade, the two countries were engaged in frequent exchange visits of senior officials, including visits by Rafsanjani and Khamenei to Beijing, resulting in cooperation in economic and technical areas.

Sino-Iranian relations greatly expanded after Khomeini’s death. Rafsanjani’s reinterpretation of Khomeini’s “neither West nor East” policy created space for much closer ties—particularly in the all-important economic realm. Bilateral trade, for

\textsuperscript{44} Freedman, "Russian-Iranian Relations in the 1990s."
\textsuperscript{45} John W. Garver, *China & Iran: Ancient Partners in a Post-Imperial World* (Seattle, WA: University of Washington Press, 2006), 59.
instance, increased by 58% from 1989 to 1990 alone.\footnote{"History of Contacts with Iran Reviewed," \textit{Beijing XINHUA}, 6 July 1991, in \textit{Foreign Broadcast Information Service (FBIS)}, FBIS-CHI-91-132.} Iran’s concern over the collapse of the Soviet Union, and Russia’s undeniably weaker position in international affairs, also led to a desire for closer ties with China in order to balance the United States. China had a growing interest in bolstering ties with Iran, as well. In the early 1990s, China became a major oil importer, which increased its incentives to strengthen relations with the Islamic Republic.\footnote{John S. Park, "Iran and China," in \textit{The Iran Primer: Power, Politics, and U.S. Policy}, ed. Robin Wright (Washington, DC: US Institute of Peace Press, 2010), 182; Park, "Iran and China."} In fact, Sino-Iranian economic cooperation followed a standard pattern during Rafsanjani’s presidency: China supplied industrial equipment, technology and engineering services to help with Iran’s reconstruction in exchange for oil.\footnote{Garver, \textit{China & Iran: Ancient Partners in a Post-Imperial World}, 244.}

In July 1991, Premier Li Peng visited Iran—the first Chinese premier to do so since 1978. China agreed to launch a satellite for Iran for radio and TV transmissions, as well as numerous other agreements included in a two-year plan for cultural, scientific, and educational exchanges.\footnote{Garver, \textit{China & Iran: Ancient Partners in a Post-Imperial World}, 106-107.} During the visit, Rafsanjani remarked at a joint news conference: “The similar as well as identical positions of Iran and the People’s Republic of China in connection with various international and regional issues is evidence of the existence of common grounds for strengthening and solidifying mutual cooperation on the international scene.”\footnote{"Confers with Rafsanjani," \textit{Tehran IRNA}, 7 July 1991, in \textit{Foreign Broadcast Information Service (FBIS)}, FBIS-NES-91-130.} China’s major economic projects in Iran during Rafsanjani’s presidency consisted of engineering a metro subway and rail system in Tehran; building cement, glass and zinc factories; oil and mineral joint exploration projects; and constructing power plants—including a nuclear reactor at Bushehr that was suspended in 1996 due to US pressure.\footnote{Garver, \textit{China & Iran: Ancient Partners in a Post-Imperial World}, 154, 249-251.}

It cannot be forgotten, however, that China has a large Muslim population. While only 1-2% of the populace is Muslim, that equates to approximately 20 million people. Initially, Iranians expressed solidarity with their co-religionists despite China’s official policy of atheism. For instance, in a 1991 visit to Beijing, \textit{Majlis} Speaker Karrubi
addressed a group of Muslims and clerics from across China at the Iranian Embassy: “Iran feels a sense of responsibility toward all Muslims throughout the world and considers itself a partner in their problems, adversities, and fate. Unity and fraternity among Muslims and further efforts by the Islamic ulama (clerics) and scholars will revive Islam’s grandeur in the world and the Muslims’ pride.”

In a visit the next year, Rafsanjani visited the city of Kashgar in the Xinjiang Uighur Autonomous Region—home of China’s largest Muslim population—and led Friday prayers at the Etgar mosque. Upon his return to Iran he commented in Friday prayers, “The love that we saw there and the huge crowds who walked to the mosques…they like the Islamic Republic of Iran and their Iranian guests.” He went on to say, “When we talked of exporting the revolution, this is what we meant: We never wanted to occupy one inch of anyone’s territory. We wanted other people to understand what we have.” Not surprisingly, the Chinese press did not cover the visit.

Other early attempts to export the revolution—or at least strengthen Islamic links in China—occurred in the early 1990s. Without informing the Chinese government, the Iranian mission in China recruited several dozen Chinese Muslims from various regions and gave them full scholarships to study in Qom. The arrangement only came to the Chinese government’s attention when a bored Chinese student called the PRC embassy in Tehran. An embassy official met with the student and learned about the scholarships. The Chinese government warned Iran that “noninterference” in its Islamic community was a precondition for continued relations. The scholarships ceased in the mid-1990s.

Despite these small-scale educational opportunities and Rafsanjani’s rhetorical support, Tehran ignored China’s repression of its Muslim population. Notable episodes include the 1990 “Baren incident” in which government forces reportedly killed 50

54 “Remarks on Nam, Bosnia, Pakistan, China,” Tehran Voice of the Islamic Republic of Iran First Program Network, 18 September 1992, in Foreign Broadcast Information Service (FBIS), FBIS-NES-92-183.
55 Garver, China & Iran: Ancient Partners in a Post-Imperial World, 134.
protestors while putting down an uprising by religious extremists. Nor did Iran comment on China’s 1993 “Implementing Measures for the Law on the Protection of Minors” policy, which forbid parents in Xinjiang to allow minors to engage in religious activity. Finally, Rafsanjani was silent on China’s “Strike Hard” campaign. Launched in 1996 as an anti-crime and corruption campaign, in Xinjiang province it was targeted against Muslim separatists and resulted in the arrest of thousands. Thus, Iran abandoned its export of the revolution to China in favor of more pragmatic economic and security cooperation.

The West

While improved relations with Russia, China and the Central Asian states were important for opening markets to Iranian exports, revitalizing Iran’s industrial base, gaining access to military hardware, and cultivating allies, in order for Iran’s economy to truly expand it needed western oil technology and expertise. Therefore, an important part of Rafsanjani’s reconstruction plan entailed normalizing relations with Europe, which it considered a lesser evil than the United States. However, his need to balance foreign economic objectives with the factional politics at home was ever-present, as was evident in a 1992 sermon he gave discussing how Westerners perceived Iran: “[The Westerners say] to open their way to the West, in Iran the people have cast away the extremists; that is because the people have gotten tired of revolutionary life, and they want to live with the West.” He countered, “…Don’t dream, because, God willing, your dream will never come true that one day this nation deviates one centimeter from the imam’s path.” He concluded the point by saying, “All the interpretations that you make: hardliner, moderate, radical, and conservative, all have one thing in common. And that is the path

56 Paul George. *Islamic Unrest in the Xinjiang Uighur Autonomous Region*. Commentary No. 73. Canadian Security Intelligence Service (CSIS), Spring 1998.
58 George, "Islamic Unrest in the Xinjiang Uighur Autonomous Region."
of Islam, the path of the imam, and the line of the imam and obedience toward the leadership are not forgettable for them.”

As his presidency progressed he became more open about his desires. By the mid-1990s Rafsanjani was explicitly stating, “The Islamic Republic of Iran wants to expand its relations with the EU and European countries. We pursue one principle, that of establishing reciprocal and balanced relations with every country, with the exception of two or three.”

Overall, Rafsanjani’s pragmatic tone, combined with Iran’s geopolitical and economic importance as well as its responsible neutral position in the 1990 Gulf War, convinced the European Union (EU) to consider strengthening relations. Several issues stood in the way, however, most notably the Salman Rushdie affair. When Ayatollah Khomeini issued his fatwa calling for the death of Rushdie in 1989, the European ambassadors were withdrawn from the Islamic Republic and the minor relations Iran had with Europe were seriously damaged. In a newspaper editorial, Rafsanjani’s critics—who preferred to keep relations with the West at a very low level—called the controversy “a blessing in disguise” and proof that rapprochement with the West was a “doomed effort.” The same editorial said that his policy of improving relations with the West was “a very hasty and ill-planned strategy.” It was necessary for Rafsanjani to appease the hardliners during the run-up to his presidential election, so he supported the breaking of diplomatic ties with Britain after they refused to ban the novel, and threatened to sever

62 “Post-War Plans to Improve Ties with West 'Hasty',” Tehran IRNA, 11 March 1989, in Foreign Broadcast Information Service (FBIS), FBIS-NES-89-047; "Post-War Plans to Improve Ties with West 'Hasty'."
relations with the European Community, Sweden, Norway and West Germany—Iran’s largest non-oil trading partner.⁶³

After he became president, however, Rafsanjani pressed ahead and began to pursue stronger economic ties with Europe. In response to the hardliners, he called for pragmatism couched in his softer interpretation of exporting the revolution. In a sermon, he preached, “The Islamic Republic now needs a prudent policy more than it needs anything else...both inside and outside the country, in order to strengthen our base, and for our foreign policy, so that we can have a presence and help people without being accused of engaging in terrorism, without anyone being able to call us fanatics. We have no need to speak fanatically. We have no need to chant impractical slogans. We do not need to say things which are not acted upon, needlessly frightening people and blocking our own path.” He went on to say, “We can be the leading light of the world of Islam as long as we act with prudence and wisdom.”⁶⁴

Soon after, the European Council made the formal decision to reach out to Iran, initiating a “critical dialogue” rather than a formal Trade and Cooperation Agreement.⁶⁵ This allowed them to work through some of the issues barring full normal relations, including the Rushdie fatwa, Iran’s human rights record, its support for terrorism, the assassination of dissidents in Europe, and proliferation concerns. For his part, Rafsanjani exercised the prudence he had been calling for. Iran began pressuring its Lebanese allies to release the remaining European hostages, which naturally brought a great deal of goodwill from Europe.⁶⁶ He also characterized Khomeini’s fatwa as merely an "expert" religious opinion and not a state policy, asserting, “He is an eminent jurisconsult in the history of Islam and especially in Iran...no one can change the view of a jurisconsult. It is the West that has turned this matter into a political issue...the view expressed was an

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⁶⁵ Posch, "Iran and the European Union," 190.
⁶⁶ Takeyh, Guardians of the Revolution: Iran and the World in the Age of the Ayatollahs, 144.
entirely Islamic view, which was given by a person possessing all the necessary qualifications." 67

Rafsanjani’s downplaying of the importance of Khomeini’s fatwa did not completely alleviate European concern over the issue, which complicated relations throughout his presidency, but the critical dialogue provided cover for European businesses to expand ties with Iran—a chief complaint of the United States and Israel. By the mid-1990s, western European countries—particularly Germany, France and Italy—were among Iran’s main trading partners and they recognized the lucrative market that existed in the Islamic Republic. 68 Consequently, the EU tried to keep confrontation with Iran under control to avoid irreparable or prolonged breaks. For instance, it consistently rejected US pressure to adopt hardline policies and sanctions against Iran. 69 Although the EU did impose sanctions following the Rushdie fatwa, they were lifted after only a couple months. The EU even supported Iran’s 1995 bid to join the World Trade Organization, although the United States blocked it. The tension between the United States and EU was frequently noted by the Iranian regime. Rafsanjani’s Minister for Minerals remarked, “It is clear to us that many Europeans resent being dictated to by the US. We wonder why these bullying tactics are not confronted in the West.” 70 Generally, the EU did not succumb to US bullying on Iran and fought back when the United States overstepped. For example, it drafted retaliatory legislation against the United States if President Clinton’s 1996 Iran-Libya Sanctions Act (ILSA), which restricted the annual investment amount of non-American companies in Iran’s oil industry, was exercised on a EU-based firm. 71


68 Sadri, “Trends in the Foreign Policy of Revolutionary Iran.”


EU-Iranian economic relations did improve during Rafsanjani’s presidency, although there were certainly setbacks and unresolved issues that hindered progress. For instance, in addition to the Rushdie affair, there was the 1992 Mykanos Affair, in which gunmen allegedly hired by Iranian intelligence agents assassinated four Iranian-Kurdish leaders in a Berlin café. The Germans took the matter to court and in 1996, the judge found Iran’s leadership guilty. Soon after, hundreds of demonstrators threw tomatoes and eggs at the German Embassy in Tehran, chanting “Death to Germany!” In marked contrast to the regime’s response to the 1979 seizure of the American Embassy, this time they sent in 300 riot police to dispel the crowd from the embassy of their closest friend and largest trading partner in the West. 72 Rafsanjani denied the charge, and in protest expelled four German diplomats from Iran. The EU countries countered by recalling their ambassadors; it took seven months to resolve the diplomatic dispute. Notably, economic relations continued unhindered throughout this and other similar affairs. 73 By the end of Rafsanjani’s presidency, Iran was selling a third of its oil to Europe and economic/trade relations were valued at $29 billion. The importance of this economic relationship quietly superseded concerns about Khomeini’s “neither West nor East policy.”

The Great Satan

While Iran might be expected to soften its ideological stance on relations with the East and with western European countries in order to fulfill its vital material interests, particularly after the vast destruction and economic decline of the 1980s, it is far more astonishing that attempts were made to create openings with the United States—the Great Satan itself. US-Iranian relations did worsen during Rafsanjani’s tenure, but it was not because of a lack of interest by the Iranian President. Even while hardline factions in the Islamic Republic were vehemently opposed to any rapprochement with the United States, Rafsanjani sent consistent signals to Washington in an attempt to improve relations, resulting in surprising twists and missed opportunities.

For instance, in 1982 Iran-sponsored Hizballah began kidnapping Westerners in Lebanon. Over the next decade at least 96 hostages from 21 nations were held. In his 1989 inaugural address, President George H.W. Bush reached out to the Islamic Republic suggesting that if Iran were to assist in the release of American hostages it would be remembered. “Good will begets good will,” he said. “Good faith can be a spiral that endlessly moves on.”

Rafsanjani took up this call, expecting the United States to respond with trade, aid, and recognition. In a Friday prayer sermon a few months later he addressed President Bush saying, “[The Islamic Republic] will also help to solve the issues [in Lebanon] so that the people of the region can live in peace and quiet.” He went even further in March 1990, publicly acknowledging that Iran was ready to improve relations with the United States. This, despite clear disapproval from hardliners, such as Ayatollah Mohtashemi, who regularly made comments like, “[the United States] is not happy just to have relations with Iran; it wants to destroy our revolution’s thoughts and principles. As long as we follow revolutionary ideas in our internal and external policies, the United States will not establish ties with us, and if it does, it is in order to destroy us.”

Risking a domestic backlash for so clearly violating the “neither West nor East” doctrine, Rafsanjani nevertheless pushed forward and personally intervened in Lebanon, spending about $200 million for the release of western hostages. The United States, however, did not follow through with anything other than verbal thanks. In a May 1990 announcement Rafsanjani called the Bush administration a “stubborn and complex-ridden child” for refusing to make a

76 "Hashemi-Rafsanjani 'Ready to Help' in Lebanon," Tehran IRNA, 4 August 1989, in Foreign Broadcast Information Service (FBIS), FBIS-NES-89-149.
78 "Keyhan Havai Interviews Mohtashemi," Tehran KEYHAN HAVAI, 7 February 1990, in Foreign Broadcast Information Service (FBIS), FBIS-NES-90-037.
79 Arjomand, After Khomeini: Iran under His Successors, 144.
goodwill gesture after the release of two American hostages.\textsuperscript{80} With a noticeable shift in his rhetoric, he ended his statement by addressing the United States: “When did Iran ask you to restore relations...? We are not prepared to talk to you.” When the last American hostage was released from Lebanon in 1991, Rafsanjani was rewarded with criticism by the Bush administration for the slow pace of Iran’s intervention and the accusation that it reflected a lack of goodwill.\textsuperscript{81} From the American perspective it was a case of too little, too late. Despite Rafsanjani’s help in this matter, the United States pointed to Iran’s human rights violations, support for terrorism, and interference in the Arab-Israeli peace process as barriers to better relations. Thus, Rafsanjani’s early attempts to improve ties with the United States failed.

As a result, the Islamic Republic’s proclaimed position on relations with the United States swung further towards the hardline ideological stance. Supreme Leader Khamenei led the way in anti-American rhetoric and an outward refusal to engage the United States. \textit{Majlis} speaker Ali Akbar Nateq-Nuri accurately summed up Khamenei’s position stating, “He considers the issue of relations with the United States to be the thin red line of the revolution and all the Imam’s followers accept this.”\textsuperscript{82}

Despite Khamenei’s rhetoric, Rafsanjani’s cautious efforts at rapprochement continued, suggesting the Supreme Leader’s quiet endorsement. In a 1993 news conference discussing the possibility of negotiating the resumption of diplomatic ties with the United States, Rafsanjani took a page out of President Bush’s playbook saying, “They should first demonstrate some goodwill so that we can decide [on opening talks].”\textsuperscript{83} He suggested the United States release billions of dollars of Iranian assets frozen in US banks since 1979. The

Clinton White House was not prepared to make any concessions, however, and instead announced its policy of “dual containment” of Iraq and Iran.

This did not mean that there were no economic ties between the two countries. An expanding level of trade was evolving and by 1991 Iranian imports of American goods had increased nine fold from two years earlier, totaling $527 million.\(^\text{84}\) American products, like Pontiac Firebirds and Marlboro cigarettes, where slowly making their way back into the country. More surprisingly, by 1995 the United States had become Iran’s fourth largest trading partner.\(^\text{85}\) Yet the United States vetoed significant economic deals that might have helped strengthen relations outside of the frozen diplomatic channels. For instance, in 1993 Iran Air tried to purchase 16 Boeing 737-400s in order to expand their aging civil fleet.\(^\text{86}\) Congress killed the $1 billion deal by refusing to let Boeing sell the airplanes; Europe’s Air Bus stepped in and got the contract.

Two years later Rafsanjani tried again, offering the American oil company Conoco a $600 million project to develop two offshore oil and gas fields, which would have been the first major foreign investment by any western company in Iran since 1979. As Congress reviewed the deal, Conoco officials testified that the Iranian government saw the contract as a test case for Rafsanjani to convince his adversaries at home to resume diplomatic and trade relations with the United States.\(^\text{87}\) American skeptics, however, viewed this as an Iranian attempt to maintain lucrative commercial relations with the United States without having to change objectionable policies in other areas.\(^\text{88}\) Recognizing the deal would never get through Congress, the Clinton administration issued an Executive Order banning trade with Iran and forcing Conoco to withdraw from the contract. Rafsanjani responded by appealing directly to the American people in an interview with ABC News, “This was a message to the United States, which was not

\(\text{84}\) Sciolino, "Distrust of U.S. Hinders Iran Chief."


\(\text{86}\) Estelami, "The Evolution of Iran's Reactive Measures to US Economic Sanctions."

\(\text{87}\) Timmerman, "Iran's "Moderates" Are No Reformers," 201.

correctly understood. We had a lot of difficulty in this country by inviting an American company to come here with such a project because of public opinion.” He added, “My suggestion to your Government is not to do these immature things it’s doing. We are not asking the United States to have relations with us. What we are asking the United States is to stop its hostility against us.”

In 1996, Congress passed ILSA, which imposed economic sanctions on firms doing business with Iran and Libya. The ability of these unilateral sanctions to punish Iran has been debatable. For instance, after the Conoco deal was cancelled, the French oil company Total stepped in and signed a $2 billion deal to develop the same fields. Nor did the sanctions isolate Iran and turn the population against the regime. Rather, they reinforced Iranian determination to become self-sufficient and independent while providing Iran with proof that the United States was a cruel and hostile hegemon. Consequently, with his repeated pragmatic attempts to strengthen economic ties with the United States thwarted, Rafsanjani reverted to ideological rhetoric. After ILSA was passed he declared, “The Islamic revolution has taught the arrogant and hegemonistic powers that religious and ideological movements should be approached in a logical manner. This is because that which is motivated by divine inspiration cannot be driven out of the arena by means of coercion. Today, the United States has clearly made a mistake in choosing such language when addressing the combatant nation of Iran.”

Analysis

In both his rhetoric and his foreign economic policies, President Rafsanjani tended to live up to his pragmatic reputation. He consistently pursued policies that contravened the ideological objectives of the Islamic revolution, putting the state’s material interests ahead of its declared moral duties. The extent of Rafsanjani’s

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90 Amuzegar, "Adjusting to Sanctions."
expediency was evident in his pursuit of relations with the United States. With trading partners in Russia, China and Western Europe, he could have easily chosen not to cross the “thin red line of the revolution” and avoid any interaction with the superpower. Yet, he shrugged off the ideological constraints and reached out rather publicly to the Great Satan.

Furthermore, Rafsanjani consistently reframed the concept of ‘exporting the revolution,’ suggesting it only meant the Islamic Republic should be a shining example to others. While Iran—or at least factions within Iran—did provide support to Islamic communities and groups around the world, Rafsanjani appeared to do his best to rein these activities in when they interfered with Iran’s material objectives. The termination of religious scholarships in China’s Xinjiang province, and the cessation of support to the Islamic Renaissance Party of Tajikistan are cases in point.

President Rafsanjani’s record clearly demonstrates that pragmatism consistently triumphed in his foreign economic dealings and relationships, indicating his willingness to loosen or reinterpret ideological beliefs when it suits his purpose. Not only did Rafsanjani attempt to normalize foreign economic relations with both the East and the West, he was remarkably upfront about it in his public sermons and statements to the press—especially considering the heated factional competitions occurring domestically. Those instances when Rafsanjani’s rhetoric was ideological and incendiary typically occurred when he was trying to garner internal support from hardline and conservative groups, such as his alliance with the IRGC during his first presidential campaign, or to show strength in response to external sanctions. Barring these occasional exceptions, President Rafsanjani’s rhetoric was remarkably congruent with his behavior and both reflected pragmatic rather than ideological tendencies.

Whether Rafsanjani’s successor, President Mohammad Khatami, was able to maintain the same degree of pragmatism and consistency between his rhetoric and foreign policies is the focus of the next chapter.
Chapter 3

President Mohammed Khatami

Muhammad Khatami came to power in 1997, defeating his conservative-backed opponent, Majlis Speaker Ali Akbar Nateq-Nuri, in an unexpected but resounding victory. Not only did Khatami receive over 69% of the vote, as compared to Nateq-Nuri’s 25%, but this in an election where over 88% of the population—an astounding 30 million people—cast ballots. Khatami ran on a platform that emphasized the rule of law, respect for individual rights, the promotion of civil society, freedom of expression, and the reintegration of Iran into the modern international system.¹ Known as the “freedom candidate,” by all accounts he was swept into office on a popular mandate for reform.

This surprising election result was due to the interplay of several factors, particularly the factional politics that engulfed the Iranian regime. In the early 1990s, President Rafsanjani and Supreme Leader Khamenei had successfully marginalized the radicals on the left by allying with conservatives who supported their economic reforms. Khamenei, in particular, developed strong ties with conservative clerics who bolstered his marginal religious credentials. From 1992 to 1997, the conservatives gained control of the Majlis, the Expediency Council, and several important ministries. Rafsanjani ended his partnership with the conservatives—and with Khamenei—in 1996, possibly out of fear that the country might be pushed too far to the right.² With the conservative-pragmatist alliance ended, the centrist pragmatists shifted their support from the right to the left and sided with the radicals, comprised of both secular technocrats and clerics. This new coalition was known as the reformists. Their nomination of Khatami for president, and his overwhelming electoral success, was viewed as a slap in the face to the entrenched conservatives.³

Khatami supported the revolution and the Islamic Republic, but was identified more as an intellectual than a revolutionary. In his writing and speeches he has tried to

¹ R K Ramazani, "Ideology and Pragmatism in Iran's Foreign Policy," The Middle East Journal 58, no. 4 (Autumn 2004): 557.
² Keddie, Modern Iran: Roots and Results of Revolution, 267.
reconcile Islam and liberal democracy, presenting a very moderate and pragmatic image to the world. While he has publicly acknowledged that the Iranian regime has made mistakes—as all governments do—he has also avowed that Islam is the “common denominator” in Iran’s “pride and perseverance.” Thus, his intent has never been to replace the Islamic Republic with something different, but rather reform from within the deficiencies and excesses that emerged during and after the revolution. This chapter examines the degree to which President Khatami supported and promoted Khomeini’s ideology of exporting the revolution and his doctrine of “neither West nor East,” or if he considered these concepts in need of reform. It also examines whether Iran’s foreign economic policies under his tenure reflected his rhetoric or that of the dominant conservative factions.

Background

In 1943, Mohammad Khatami was born in the town of Ardakan, in the central province of Yazd. He was the son of a famous and respected religious teacher and sayyid, Ayatollah Ruhollah Khatami. After high school, he studied theology at the seminaries in Qom, philosophy at Isfahan University, and educational sciences at Tehran University—an unusual path for an Iranian cleric. His choice to pursue philosophical vice juridical training precluded him from ever attaining the rank of Ayatollah. He even fulfilled his two-year mandatory military training as a junior lieutenant in the Shah’s army, viewing it as an educational opportunity and not support for the Shah. In 1968, he returned to the Qom Seminary to pursue advanced courses. During the 1960s and 70s, Khatami was politically involved in the anti-Shah campaign. While at Isfahan University, he joined the Association of Muslim Students, and organized religious and political debates. He also prepared and distributed pamphlets, including political statements issued by Ayatollah Khomeini that criticized the Shah’s autocratic regime.

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4 “President-Elect Khatami Addresses Nation,” Tehran IRIB Television First Program Network in Persian 1709 GMT, 19 July 1997, in Open Source Center, FTS19970719000682.
5 Ansari, 153
7 “Biographical Information on President Khatami,” Tehran IRNA in English 0912 GMT, 3 August 1997, in Open Source Center, FTS19970803000131.
Khatami moved to Germany in 1978, where he headed the Islamic Center in Hamburg, one of the oldest Iranian Shia centers in Europe. Returning to Iran only after the Shah’s ouster, he lacked the revolutionary credentials born of street action and prison sentences of many of his peers, yet he rose swiftly to power nevertheless. He was elected to the Majlis in 1980, where he was known as a Khomeinist—a staunch supporter of Ayatollah Khomeini’s religious and political doctrines—although he was never as bombastic as others in the regime. For instance, in a 1982 interview in which he was discussing foreign affairs, Khatami supported the concept of exporting the revolution when he claimed, “[Iran]…will soon become a center for new movements of Muslim nations to liberate Palestine and al-Quds (Jerusalem).” He went on to affirm the doctrine of “neither West nor East” as he denied rumors that Iran was selling oil to the United States, stressing “Iran did not and would not have any relations with United States since at present such a world-devouring superpower was the Islamic revolution’s greatest enemy.” He added, “in order to curtail any dependence on big powers, economic and commercial ties with Third World, especially Muslim, countries should be strengthened.”

In 1981, Khomeini appointed him to head the Keyhan Institute, a group of pro-government newspapers. The next year Prime Minister Moussavi selected him to be the Minister of Culture and Islamic Guidance, a prominent position he held from 1982-86. President Rafsanjani reappointed him to this post in 1989. This is where Khatami earned his reputation for moderation and tolerance; he regularly permitted the circulation of books, magazines and films that more conservative clerics considered questionable or even subversive. The dissonance between Khatami’s position as the state’s chief censor and his appreciation for art was clear in an address he made to Iranian artists in 1985. He stressed that they should exercise independence in producing their works and that “an art form dictated by the government is doomed even though that government be a just

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Because of these liberal views, he was forced to resign after the conservatives gained control of the Majlis in 1992.

Although Khatami was very broad minded when it came to the arts and intellectual pursuits, his political rhetoric in the 1980s still reflected that of the Islamic Republic. For example, in a sermon discussing obstacles the Saudis were creating for Iranian pilgrims he asked, “Is Saudi Arabia entitled to prevent slogans of Muslims against America and Israel? This year, in the hajj, it should be proved that the dominating powers of the East and West are the embodiments of blasphemy and atheism and that world arrogance and the usurping Israel are the objects of Islamic slogans.”

For the conservatives, however, he was not revolutionary enough.

After his forced resignation, Rafsanjani found another position for Khatami as the Director of the National Library. He disappeared almost completely from public view for the next five years, writing two books during this time. The first compared Islamic and western thought, focusing on the basic human need for freedom and how that has contributed to the West’s economic, political, military, scientific and technical power. In the second book, he examined western philosophical and political thought. Despite Khatami’s known liberal tendencies, in 1996 Supreme Leader Khamenei invited him to be a member of the Supreme Cultural Revolution Center—a conservative-dominated body that compiled the cultural policies of the country—perhaps in an effort to maintain some balance among the factions. Soon after and with Rafsanjani’s backing, Khatami received permission to run for president in 1997, although few thought he had any chance of winning.

With his pragmatic outlook and increasingly moderate rhetoric, Khatami was a natural successor to Rafsanjani, yet he also represented a qualitative shift in terms of the reforms he advocated. In contrast to Rafsanjani’s emphasis on reconstruction, President Khatami framed his reforms on cultural and political change and less on economic issues,

12 Tazmini, Khatami’s Iran: The Islamic Republic and the Turbulent Path to Reform, 16-17.
although practical material needs influenced his policies. Even though restrictions on public behavior and speech were relaxed, newspapers proliferated, and a vibrant social discourse ensued during his administration, Khatami was not able to translate these minor reforms into the underlying bread-and-butter issues that had prompted many of his supporters to demand change in the first place. He did recognize that Iran’s economic structure was ‘sick’ but believed the cure was investment-oriented economic development, which required a secure environment to attract potential investors. Instead of focusing directly on the domestic economy, he worked on the underlying factors—normalization of international relations and political transparency—to attract foreign investment, but his efforts did not produce noticeable results at home.

After their initial shock over the electoral loss, the conservatives rallied behind Supreme Leader Khamenei and exploited this failure by emphasizing populist notions of development and state building, but without any relaxation of the Islamic Republic’s ideology. This debate between ideology and open politics—which in turn was a debate over the relative power of the president versus the Supreme Leader—frequently resulted in gridlock between Khatami’s reformist administration and Khamenei’s conservative leadership. Yet while Khatami’s rhetoric espoused the demands for civil liberties and better government, he never openly broke with the Islamic regime. He pragmatically discouraged confrontational politics for both himself and his supporters, thus squandering popular leverage that might have translated political promises into domestic policies. After two terms in office, many of his young supporters were left disillusioned and disappointed with his inability to achieve significant domestic reforms.

**Foreign Economic Policies**

On the international stage, President Khatami was far more successful. He continued Rafsanjani’s pragmatic pursuit of improved ties around the world, but he framed—and thereby strengthened—his rapprochement efforts in terms of culture instead of purely material interests. Khatami jealously guarded Iran’s independence but was also forthright about his willingness and desire to join the international community. In his

14 Tazmini, *Khatami’s Iran: The Islamic Republic and the Turbulent Path to Reform*, 75.
confirmation speech he declared, “We are duty bound to defend the independence of our Islamic homeland and work toward its development and integrity. In the international arena, we seek peace and security...we oppose the greed of the big powers and see it to be a cause of tension and instability...we shake the hands of all countries and nations who believe in the principle of mutual respect and do not see their interests as against our independence and our interests.”

Thus, Khatami opened the door for relations with any country—East or West—as long as Iran’s independence was not threatened. To facilitate this détente he called for “dialogue among civilizations,” in pointed contrast to Samuel Huntington’s infamous “clash of civilizations.” Khatami proposed this dialogue to Muslim leaders at the Organization of the Islamic Conference (OIC) in December 1997, to UN Secretary General Kofi Annan the same month, and directly to the American people in a January 1998 CNN interview with Christiane Amanpour. At Khatami’s behest, the UN even agreed to call 2001 the ‘Year of the Dialogue of Civilizations,’ although the subsequent events of 9/11 largely negated the effort. Explaining why a dialogue was needed he stated, “Constructive and well-aimed dialogue between various nations and societies, and also between various religions, ideologies, and civilizations in the world, is the best available solution for reducing the atrocities of the international system. Dialogue based on logic and thought is the basis of the fundamental principle of peaceful coexistence and a foundation for mutual trust. Dialogue is the key to peace, coexistence, and trust.”

Although some dissident voices in Iran did condemn Khatami’s disregard for the “neither West nor East” doctrine, his foreign relations efforts were not hampered like his domestic reforms. Even Supreme Leader Khamenei and the hardline conservatives had come to recognize that bad foreign relations hurt Iran economically and politically. For example, an editorial in the conservative Tehran newspaper Jomhuri-ye Eslami discussed the “neither West nor East” doctrine in 2000: “Today, the East and the West are

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16 “Iran's New President Speaks at Confirmation Ceremony,” Tehran IRIB Television First Program Network in Persian 0730 GMT, 3 August 1997, in Open Source Center, FTS19970803000135.
17 “President Khatami's Closing Address to OIC Summit,” Tehran IRIB Television First Program Network in Persian 1735 GMT, 11 December 1997, in Open Source Center, FTS19971211001633.
18 Keddie, Modern Iran: Roots and Results of Revolution, 271.
competing with each other very closely in all arenas. The best option for [Iran]…is to capitalize on opportunities, which have been provided in the light of this intense competition. The advantage of this policy of looking both ways is that it will give rise to fierce competition between the East and the West in order to offer what we need at a very competitive price. ‘Looking eastward’…can improve the notion of ‘looking west’ and free it from dogmatism…”\(^{19}\) Whether or not this pragmatic stance was extended to include the United States will be examined later in the chapter. But first, the mere possibility that US-Iranian relations might thaw was not just a concern of hardline Iranian ideologues; it worried some in the East as well.

**The East**

Before Khatami was even sworn in as president he sent a message to Russian President Boris Yeltsin underlining the need to further promote and strengthen Tehran-Moscow relations in all fields and his readiness to expand bilateral technical relations.\(^{20}\) His affirmation of Russia as a natural, strategic ally was necessary to put the Kremlin at ease over growing concern that Iran’s relations with the United States might improve to the detriment of relations with Russia.

Maintaining good ties with Iran was important to Russia for both strategic and economic reasons. The two countries held similar views on numerous regional and international issues, particularly concern over the interference of outside powers in the region—namely the United States. Iran was also a lucrative export market for Russia as well as a source of hard currency; they were already cooperating on oil and gas ventures, technical military programs, and nuclear energy projects. Finally, although their level of trade in 1997 was only around $500 million, both countries were determined to raise it significantly, with projections of $3 to $4 billion per year within the decade.\(^{21}\) Russia—particularly after their financial meltdown in 1998—could not afford a break in relations.

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Khatami, to the Russians’ relief, continued Rafsanjani’s policy of cooperation despite major challenges early in his administration. The second Chechen war, which began in August 1999, was a particularly persuasive test of his pragmatism. Unlike the first Chechen war, during which President Rafsanjani largely kept silent, in 1999 President Khatami was the chairman of the OIC and therefore represented the collective voice of the Muslim world. While it was impossible for him to remain completely quiet, Khatami did limit the OIC’s criticism of Moscow and instead focused on providing humanitarian assistance to Muslim refugees.\(^{22}\) Iranian Foreign Minister Kamal Kharrazi echoed Khatami’s position during a visit to Moscow in December 1999 when he said, “the world of Islam is concerned over the continuation of war in Chechnya and the situation of refugees in Northern Caucasus.” He notably added, “The OIC considers the Chechen crisis as an issue concerning Russian territorial integrity and the country's domestic affair.”\(^{23}\) But as reports of Russian soldiers massacring Chechen civilians began to leak out, domestic criticism of Khatami’s pragmatic stance intensified. An editorial in a Tehran newspaper criticized Khatami’s ideological failings:

> In two aspects, the Government of the Islamic Republic of Iran is responsible, and should react against this disgraceful phenomenon. First, it is a government that owes its existence to an Islamic revolution, and therefore, logically, it should feel responsible for the fate of Muslims throughout the world. The second aspect is that as the head of the Organization of the Islamic Conference, with the position this accords as the representative of more than 1.5 billion Muslims in the world, it should restrain the Kremlin leaders from their massacres, killings, and destruction against the innocent Muslims of Chechnya. If this is not the case, then keeping quiet against all these atrocities will be regarded as collaborating with the criminals, and this is unforgivable.\(^{24}\)

In spite of the domestic costs, Khatami maintained his pragmatic focus on strengthening Iranian-Russian relations in lieu of exporting the revolution—a position that was recognized and appreciated in Moscow. In November 2000, Russia notified the

\(^{22}\) Martin Malek, "Russia, Iran, and the Conflict in Chechnya," *Caucasian Review of International Affairs* 2, no. 1 (Winter 2008).


Clinton administration that it was withdrawing from the 1995 Gore-Chernomydrin Agreement, a secret accord that was supposed to limit Russian sales of advanced conventional weapons to Iran. The next month Marshal Igor Sergeyev visited Tehran, the first Russian Defense Minister to do so since the revolution. Moscow subsequently announced new arms deals and a renewed commitment to completing the Bushehr nuclear reactor, which had fallen behind schedule. Khatami called the visit "an important landmark, the culmination of establishing and developing bilateral relations and the search for cooperation."

President Khatami reciprocated with a visit to Moscow in March 2001. During an address to the Russian State Duma, Khatami discussed the promising Russian-Iranian relations “based on important political, economic, scientific, educational, industrial and security cooperation,” and—perhaps more for domestic consumption—reminded listeners that Ayatollah Khomeini had sanctioned renewed ties with Moscow before he died. Aware that not every state viewed improved Russian-Iranian relations favorably he also offered the reassurance, “Extensive dialogue and cooperation between Iran and Russia is not a threat against any other country. The enhancement and materialization of national needs are among international requirements.” Thus, Khatami defended his engagement with the East without losing sight of possible détente with the West.

This pragmatic stance towards Russia continued throughout Khatami’s presidency despite the ongoing insurgencies in Chechnya and North Caucasus, Moscow’s heavy-handed counterterrorism tactics, and disagreements over Caspian Sea oil allotments. Iran chose relations with Russia over support of Muslim extremists and blocked every anti-Russian resolution in the OIC when Khatami held the chair. State interests clearly trumped ideology. Khatami himself publicly acknowledged, "Tehran’s relations with

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Moscow are based on the principle of mutually benefiting from each others resources to prevent outsiders from interfering in the region and facilitate progress on the part of regional states and the region as a whole. As a result, in 2005 Iranian-Russian trade hit $2 billion a year.

**China**

Farther East, President Khatami continued to cultivate relations with China. Like Rafsanjani, he was willing to set aside ideological concerns over the fate of Chinese Muslims in order to pursue lucrative economic relations. Khatami’s state visit to China in June 2000, for instance, came a week after China executed five Muslims accused of separatist crimes in Urumqi, the capital of Xinjiang province and a city he visited during his trip, and yet he never voiced public concern for the Islamic community. After returning to Tehran, he was asked how Iran’s relations with Xinjiang’s Muslims could be developed and about the situation of Muslims living in China. He responded, “Fortunately there have been more opportunities created for the Muslims in this area, especially in the recent years. Chinese government has promised to make every effort to recognize and respect ethnic and religious minorities; and provide a situation where they can practice their customs and beliefs. China has good Muslims. The multi-religious and heterogeneous nation of China is living in harmony and moving ahead.” The only concern he showed was in his last comment, “We hope that conditions would improve for the people of China particularly the Muslim population.” Numerous incidents of Chinese suppression of Muslims took place during Khatami’s presidency, yet he pragmatically overlooked them all. Khatami’s behavior conformed perfectly to China’s objective of fostering friendship and economic ties with Iran while demanding noninterference in its internal affairs.

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29 "Iran: President Khatami Stresses Promotion of Ties with Dushanbe, Cooperation with Russia," *Tehran IRNA (Internet Version-WWW) in English 1020 GMT*, 12 September 2004, in Open Source Center, IAP20040912000020.


Iran had good reason to stay focused on economic cooperation. When Khatami came into office in 1997, total trade between the two countries amounted to $938 million. When he left office in 2005, trade had reached $9.2 billion. Aside from trade encompassing soaring oil exports and industrial and commercial imports, Khatami was able to expand the $1.5 billion metro project Rafsanjani had brokered to include Chinese financing of a $500 million extension of the Tehran subway. In 2004, China invested somewhere between $750 million and $1 billion to develop Iran’s Yadavaran oil fields.

China also played a major role in modernizing the Iranian Caspian port of Neka, which facilitated Iran’s strategic plan to become the bridge for Central Asian oil exports. The Chinese company Sinopec signed a $150 million contract for the deal. These oil-related projects were undertaken despite the US threat of sanctions on Chinese companies under ILSA. While the EU’s precedent of fighting ILSA likely eased Chinese concerns, this was still a significant victory for Khatami. During the 2004 opening ceremony of the Neka oil terminal he admonished the United States for its failed attempts to isolate Iran: “The arrogant and incorrect American policies are facing defeat in the world every day. We hope for the American officials to come to their senses and realize that in this world they must respect and treat all the people equally. The time for bullying, unilateralist, and imposing wills which would only serve the interests of one nation with greater capacities has passed.”

It is not surprising that Russia and China did not support US attempts to punish and isolate Iran. The West also continued to deflect US pressure—at least initially.

**The West**

The EU embraced the election of President Khatami and his foreign policy of détente. Although Rafsanjani had begun the process of normalizing relations with the EU, the Salman Rushdie affair still lingered and the fallout from the Mykonos trial at the end of his presidency had damaged what progress he had made. While Khatami’s “dialogue among civilizations” was widely welcomed in Europe, the gesture that made reengagement possible was his revocation of the Rushdie *fatwa*. He first mentioned the

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34 Garver, *China & Iran: Ancient Partners in a Post-Imperial World*, 252.
35 Garver, *China & Iran: Ancient Partners in a Post-Imperial World*, 274.
subject during a 1998 news conference in New York, echoing Rafsanjani’s position that the *fatwa* was Khomeini’s opinion as an Islamic jurist and suggesting that the time had come to bring the troublesome human rights issue to a close. Two days later, Foreign Minister Kamal Kharrazi publicly divorced Iran from the Rushdie *fatwa* stating, "The Government of the Islamic Republic of Iran has no intention, nor is it going to take any action whatsoever, to threaten the life of the author of 'The Satanic Verses' or anybody associated with his work, nor will it encourage or assist anybody to do so." Britain responded by restoring full diplomatic relations. Pragmatism clearly trumped ideology.

The EU revamped the “critical dialogue” they had engaged in with Rafsanjani and launched a new “comprehensive dialogue.” While they still discussed Iranian behavior that concerned Europe, including human rights and nonproliferation, they lifted their ban on top-level contacts and began a process of normalizing ties and ending Iran’s political and economic isolation. Khatami jumped at the opportunity of a EU-Iran partnership, for both economic reasons and as a counterweight to the United States, and embarked on a flurry of state visits. He became the first Iranian president to visit Europe since the Revolution, travelling throughout the West during his two terms and leaving numerous bilateral economic cooperation agreements in his wake.

By 2001, EU-Iranian relations were flourishing in economic, social, academic and cultural spheres. As a whole, the EU was Iran’s biggest trading partner with over $11.5 billion in trade; with Khatami’s reelection that year, the EU moved to intensify the relationship. Hoping that further engagement would facilitate additional democratic openings inside Iran, Europeans began negotiations for a Trade Cooperation Agreement (TCA) and a parallel Political Dialogue Agreement in 2002. Once completed, these contracts would boost Iran’s economic development potential and enhance the climate for trade, investment and closer cooperation with Europe in a wide variety of sectors.

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38 Tazmini, *Khatami's Iran: The Islamic Republic and the Turbulent Path to Reform*, 85.
However, the talks stalled in 2003 due to concerns over Iran’s nuclear program and pressure by the United States for Europe to get involved.

The EU-3 (Britain, France and Germany) launched an initiative to convince Tehran to suspend uranium enrichment, reveal the full scope of its nuclear program, and allow intrusive IAEA inspections by signing the Non-Proliferation Treaty’s Additional Protocol. In exchange for a huge package of economic incentives, Khatami agreed to these demands in the November 2004 “Paris Agreement,” despite accusations from hardliners that he was selling out Iranian national rights and interests. Characterizing the agreement, a newspaper editorial quipped, “We gave first class pearls and received just the promise of candy bars, and not the candy bar itself.”

Khatami defended the deal, stressing that in it, “The Europeans have formally and explicitly admitted that we have the right to possess peaceful nuclear technology, and we have the right to apply it…I believe this is a great victory.” His rhetoric reflected his desire to preserve ties with Europe along with the need to defend Iran’s sovereign rights. Ideology was not an issue. As a result of his pragmatic stance, TCA negotiations resumed in 2005 and the EU remained Iran's main trading partner, accounting for around 30% of its total trade.

The United States

Unlike the EU, which had eagerly welcomed Khatami’s election, the United States was far more cautious. When Khatami took office, the United States and Iran were nearing the edge of armed conflict due to allegations Iran had been involved in the 1996

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Brushing aside Khatami’s moderate campaign rhetoric, Secretary of State Madeleine Albright commented on his election, “I think everyone has been intrigued by the election of Khatami, but action speaks louder than words.” She added the familiar US caveat: “Nothing can change unless Iran supports the Middle East peace process, ends support for terrorism and halts development of weapons of mass destruction.” For his part, president-elect Khatami proclaimed, “Any change in relations with the United States is dependent on a change in the policies of America towards the revolution and Iran. Unfortunately we do not see any sign of such a change in US policy…the key to the problem is in their hands and not ours.” The United States and Iran seemed stuck at an impasse, with each waiting for the other side to change their behavior before the relationship could progress.

Although it was not the substantive action Madeleine Albright was looking for, Khatami soon made a grand gesture to communicate his desire for détente with the United States. On 7 January 1998, he appeared on CNN in an interview with Christiane Amanpour. In it Khatami extended his call for a dialogue among civilizations to the American people: “When I speak of dialogue, I intend dialogue between civilizations and cultures. Such discourse should be centered around thinkers and intellectuals. I believe that all doors should now be opened for such dialogue and understanding and possibilities for contact even between American understanding between our two nations, a better future for both countries and nations may be forged.” He included a caveat however, adding, “But the dialogue between civilizations and nations is different from political relations.” He pointed out that from Iran’s perspective, “The attitude of the U.S. after the victory of the revolution has not been a civilized one. They have adopted a hostile policy against Iran. They have tried to inflict economic damage upon us (…). One of the major

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45 "Response to Albright: Khatami Will Uphold ‘Same Values’," Tehran IRNA in English 0912 GMT, 31 July 1997, in Open Source Center, FTS19970731000391.
flaws in the U.S. foreign policy...is that they continue to live with cold war mentality and try to create a perceived enemy.”

Finally, when asked about Iran’s pervasive slogan of “death to America” he explained it was not directed at the American people, rather, “These slogans symbolize a desire to terminate a mode of relations which existed between Iran and the United States...Our people consider U.S. foreign policy to be aimed at undermining and confrontation with itself. And, in fact, they want the death of this relationship.”

Khatami was certainly not submissive in the interview. He spent considerable time criticizing the US government’s behavior, but his rhetoric notable focused on specific policies—ILSA, the United States’ double standard on nuclear technology for Israel and Iran, and US propagation of unsubstantiated allegations of Iran’s wrongdoing—not the innate ‘evilness’ of the Great Satan. He reframed the problem from one of archenemies to one with potential resolution.

The United States softened its stance towards Iran in response to Khatami’s overture—at least in the executive branch. Madeleine Albright and President Clinton avoided the heated rhetoric that had characterized American statements about Iran, acknowledged Iran had legitimate grievances over external power intrusions in their affairs, and made numerous small gestures to relay their interest in improving relations. 48 For instance, in 1999 the United States lifted the sanction inhibiting the sale of food and medicine to Iran. The following year, at a Washington conference, Albright gave the most far-reaching expression of American interest in rapprochement since the revolution. She acknowledged US involvement in the Mossadeq coup, expressed regret for the United States’ support of Iraq in the Iran-Iraq war, and conceded that, “The United States must bear its share of responsibility for the problems that have arisen in U.S.-Iranian relations.” 49 She then announced the United States would lift sanctions on the import of Iranian carpets, caviar, pistachios and dried fruit—Iran’s biggest export items after petroleum. (Some Iranians joked that the decision to lift sanctions on pistachios was an attempt to win over Rafsanjani—still a major power broker and one of the leading

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48 Tazmini, Khatami's Iran: The Islamic Republic and the Turbulent Path to Reform, 90.
pistachio merchants in the country.\textsuperscript{50} The Clinton administration also authorized the Boeing Company to sell spare parts to Iran’s national airline to ensure the safety of its 747 passenger aircraft. Clinton even took the unusual step of remaining in the UN General Assembly to listen to Khatami’s September 2000 speech. Overall, these overtures represented an important shift in American foreign policy.

Yet factional politics at home severely limited Khatami’s ability to take his own concrete steps toward improving relations with the US government. Supreme Leader Khamenei led the conservative opposition in rejecting dialogue with the United States. In a Friday prayer sermon after Khatami’s CNN interview he preached, “Opposing America has been one of the factors of unity of this people… dialogue and relations with America are altogether harmful to the Iranian nation and the international [Islamic] movement.”\textsuperscript{51} In marked contrast to Khatami’s moderation, Khamenei’s rhetoric reflected the early days of the revolution: “Who has harmed the people of Iran more than anyone else? The Great Satan, yes the Great Satan! And they ask: Why do you call us the Great Satan? Well, what does Satan mean? You engage in evil. Don’t engage in evil and we won’t call you the Great Satan. It engages in evil and treachery, it harms us, it commits murder, it offends, it is arrogant.”

Khamenei did go on to differentiate between the US government and the American people, although his remarks about American civilization were not nearly as glowing as Khatami’s. He ended his sermon stating, “We don’t need any form of relationship with the Americans whatsoever…”

It should be noted that Khamenei did not use his sermon to rebuke Khatami, whose popularity gave him some measure of protection, but rather to make it clear that the “thin red line” of the revolution was still in place.\textsuperscript{52} Even within this constraint, Khatami found room to maneuver by supporting people-to-people contacts in the hope

\textsuperscript{50} Ali M. Ansari, Confronting Iran: The Failure of American Foreign Policy and the Next Great Crisis in the Middle East (New York, NY: Basic Books, 2006), 177.
that quantity of contact would eventually turn into quality.\textsuperscript{53} This in turn would ideally improve public opinion about normalized relations with the United States and force the conservatives to accept it. Thus, Khatami successfully instigated numerous contacts through sports diplomacy, educational and scientific programs, and other cultural exchanges. The United States, however, eventually became frustrated by his preference for people-to-people rapprochement versus state interactions.\textsuperscript{54}

Much as the United States missed opportunities to improve ties with Iran during Rafsanjani’s administration, under Khatami it was Iran that bypassed openings from the United States even though he was the one that had initiated the process. For instance, during Khatami’s 1998 visit to the United States, UN Secretary General Kofi Anan had arranged a meeting between Madeleine Albright and the Iranian Foreign Minister Kamal Kharrazi, but Kharrazi never showed up.\textsuperscript{55} More significantly, it took Kharrazi eight months to formally respond to Madeleine Albright’s speech in 2000, in which she acknowledged US complicity in the two countries’ poor relations. It is very possible that Khamenei did not permit Khatami’s administration to respond to these gestures.

Post-9/11 events provided new opportunities to cooperate and Khatami did not let these chances go by. Aside from immediately and unequivocally condemning the attacks on the United States, Khatami convinced the conservative hardliners it was in Iran’s interest to assist the war effort in Afghanistan. During Operation ENDURING FREEDOM, Iran actively supported coalition operations. It agreed to assist with the rescue of any coalition pilots in Iran, suggesting that overflight rights were granted.\textsuperscript{56} It also facilitated cooperation with the Northern Alliance, which Iran had long supported in opposition to the Taliban. Iran also participated—and was widely recognized as being instrumental—in the Bonn Conference to establish the new Karzai government, and committed (and paid!) more than $500 million to reconstruction efforts in Afghanistan.\textsuperscript{57}

\textsuperscript{54} Riedel, "The Clinton Administration," 140.
\textsuperscript{55} Arjomand, \textit{After Khomeini: Iran under His Successors}, 146.
\textsuperscript{56} Ansari, \textit{Confronting Iran: The Failure of American Foreign Policy and the Next Great Crisis in the Middle East}, 183.
\textsuperscript{57} Ramazani, "Ideology and Pragmatism in Iran’s Foreign Policy."
Ongoing cooperation faced severe challenges, however. Most notably, in his January 2002 State of the Union address, Bush included Iran in the “axis of evil”—lumping Iran in with their old enemy Saddam Hussein—and managed to offend the hardliners, the reformers, and the conservative-moderates who had been on the fence about dialogue with the United States. This marked the return to hostile rhetorical exchanges on both side.

Ayatollah Khamenei immediately noted, “The American government's statements seemed to be coming from 'a person thirsty for human blood'. The Islamic Republic of Iran is proud of having come under the rage and wrath of the greatest Satans.” The following week, in a speech to Iran’s armed forces he warned, “The Iranian nation, in line with their anti-hegemonic attitude, will never initiate an aggression. But, if anybody challenges them or threatens their interests, the answer of the Iranian nation will be strong, making the aggressors regretful.” He went on to taunt the US government: “It is not only the Iranian nation which hates you, but the whole world and nations detest you as a hegemonic, arrogant, tyrant and hypocritical regime.”

Khatami also decried the “good versus evil” dichotomy in Bush’s speech. While his rhetoric was more in line with his calm and educated persona, it contained a hard edge not normally present. "Naturally, this self-centered division of the world exposes it to a war whose start is known but its end is unfathomable," he told a group of Tehran-based ambassadors and foreign representatives. He then warned, "It seems that an effective number of the American statespersons today are moving on a track...which is to the detriment of the American nation in the first place and augurs of increased threats to the United States. It is time for the unseasoned American statespersons to revise their policies before it is too late, and not let US national interests fall pray to violent and suppressive terrorists."

Amazingly, although the “axis of evil” speech signaled a return to harsh,

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58 Tazmini, Khatami's Iran: The Islamic Republic and the Turbulent Path to Reform, 92.
60 "Iran: Khamene'i Calls for 'Full Preparedness' of Armed Forces," Tehran IRNA in English 1440 GMT, 7 February 2002, in Open Source Center, IAP20020207000033.
61 "Iran: Khatam Urges US to Revise Foreign Policy Stances," Tehran IRNA in English 2115 GMT, 10 February 2002, in Open Source Center, IAP20020210000075.
escalatory rhetoric from both sides, it did not prevent subsequent cooperation between the two countries in Afghanistan. Attempts were also made to work together to stabilize Iraq in 2004, but despite several meetings, little was accomplished. Furthermore, it is quite notable that low level trade between Iran and the United States went from virtually nothing when Khatami took office in 1997, due to the tough US sanctions (Iran was importing $1.1 million worth of goods from the United States and exporting a mere $100 thousand), to a steadily increasing $95.8 million of imports and an impressive $174.5 million of exports to the United States when he left office in 2005. Both of these numbers continued to rise even after Bush’s 2002 axis of evil speech.

Ironically, the Bush administration’s hard line and return to confrontational rhetoric was ostensibly part of an effort to warn, isolate and punish Iran, but in reality the United States accomplished for Iran what it had been unable to do itself since the 1979 revolution: eliminate its two most dangerous threats—Saddam Hussein and the Taliban. With these security problems removed, Iran was freer than ever before to expand its influence in the Gulf.

The Gulf

Even before the fall of Iraq and Afghanistan, the Islamic Republic’s relations with the Gulf Arab states were of significant interest and import. Whether under the shahs or ayatollahs, Iran has always sought a dominant role in the Gulf. In the 1960-70s, it was the preeminent power in the region—encouraged by the United States (as was Saudi Arabia) as part of a “twin pillar” policy to protect American interests in the region. In the 1980s, Ayatollah Khomeini’s call to export the revolution and overthrow the pro-American Arab governments—the “lesser satans”—coupled with the Arab states alignment with Iraq in the Iran-Iraq war and their formation of the Gulf Cooperation Council (GCC), led to a dramatic shift in the regional geopolitical balance. As a result,

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most of the Sunni Arab governments in the Gulf severely curtailed their interactions with Shia Iran. In terms of influence, Saudi Arabia benefited significantly from the Iranian Revolution—emerging as the primary US ally and regional power.

Rafsanjani had recognized the economic value of improving ties with Iran’s southern neighbors. He had achieved some positive developments in the last months of his presidency, including increased trade and the restoration of direct flights, but significant advances did not occur under his watch. However, he paved the way for Khatami, particularly by arranging for the OIC summit to be hosted in Tehran in 1997.

Khatami, through the OIC and his dialogue among civilizations, actively sought to improve ties among the Gulf States. As president-elect he was already promoting his programs to bring Iran closer to Arab and Islamic countries: “We call for the expansion of friendly and bilateral relations with all Arab and Islamic countries, and we will put all our efforts into expanding bilateral and multilateral relations. We are sure that with patience, continual talks, and goodwill, these ties will become stronger.”

Through a series of state visits, during which economic and security agreements were often signed, Khatami made his way around the Gulf and made significant progress reestablishing ties with the region’s monarchs.

Perhaps most notably, Khatami substantially expanded diplomatic and economic ties with Saudi Arabia. Initial cooperation centered on oil policy within OPEC, which was crucial in controlling production levels to revive the stagnating oil market at the end of the century. In 1998 the two countries signed a Comprehensive Cooperation Agreement, in which they agreed to work together in the fields of economics, culture and sports. Khatami went on to visit Saudi Arabia in 1999 in an effort to further expand cooperation and mend relations. A few months later, King Fahd of Saudi Arabia urged the Gulf countries that it was in their interest to mend ties with Iran. Addressing a Shura Council, he remarked, “You might have followed the positive developments in the Saudi-Iranian relations and our agreement to boost these relations further in the interest of both sides, as well as in the interest of the Gulf and the Arab and Islamic world. Iran and we

have the same religion; we are also neighbors and we have joint interests. Therefore, we are convinced that officials in both countries will continue the good efforts, which they have already started - efforts that are based on reciprocal trust and respect. Their efforts will in future expand to include Gulf-Iranian relations, and later Arab-Iranian relations in all their aspects, God willing.”

Khatami’s efforts paid off substantially; Iranian exports to Saudi Arabia grew from $66 million in 1997 to $487 million in 2005. By the end of his term, Saudi Arabia was Iran’s second largest trading partner in the Gulf. Economic cooperation did not negate the historic rivalry between the two countries, however. With the fall of Saddam Hussein, they frequently competed to fill the power vacuum left in the region. Furthermore, the prospect of a US-Iranian rapprochement was of concern to the Saudi monarchy, which likely worried that its own relationship with the United States might lose some of its import.

Overall, the volume of trade between Iran and all the GCC countries was fairly limited until 2000, when Iran was only importing $1.3 billion and exporting $630 million. Those numbers increased dramatically by the end of Khatami’s presidency in 2005, with imports reaching $7.3 billion and exports to GCC countries totaling $1.4 billion. Although economic and diplomatic ties between Iran and the Gulf States improved markedly under Khatami’s tenure, tension and distrust was never fully alleviated. The Arab states, in particular, remained very concerned about Iran’s nuclear program and its influence with their own disenfranchised Shi’a populations. With the fall of Saddam Hussein and Iran’s relative rise in regional power, that concern began to increase.

**Analysis**

President Khatami is often remembered nostalgically as a pro-West, democratic reformer that tried and failed to overhaul Iran’s ideological state. In reality, he supported Ayatollah Khomeini, the Islamic Republic and the current Supreme Leader. His calls for domestic reform, most of which were curtailed by government hardliners, were geared

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toward improving transparency and gradual reform from within—not regime change. While he rarely spoke in ideological terms, what he did say indicated his pragmatic interpretation of the doctrines of “exporting the revolution” and “neither West nor East,” not his outright rejection of those ideas. Yet his interpretation, much like that of Rafsanjani, was centered on serving as a shining example of an Islamic state and safeguarding Iran’s independence—not the establishment of a pan-Islamic revolution.69

In foreign affairs, Khatami’s rhetoric centered on his “dialogue among civilizations,” a noble, if not idealistic, cause. Yet even as he couched his international outreach in terms of culture, he pragmatically focused on diplomatic dialogue, expanding trade and cooperative security measures that benefited the material interests of the state.70 He maintained and improved Iran’s economic and security ties with Russia and China, made significant gains in rapprochement with Europe and the Gulf States, and even extended a hand toward the United States—the Great Satan itself. Unfortunately, in regard to US-Iranian relations, his dialogue did not go far beyond rhetoric and person-to-person exchanges. The reality of Iran’s factional politics, the dominant role of the Supreme Leader, and Khatami’s unwillingness and inability to push the regime too hard prevented him from taking advantage of the Clinton administration’s subsequent diplomatic openings.

While Khatami successfully altered world opinion about Iran, international grievances—including Iran’s nuclear program and its purported support of terrorism—remained. Khatami recognized these hurdles and took steps to mitigate their influence on his foreign policy agenda. For instance, Khatami and the reformists were staunch supporters of Iran’s right to nuclear technology. However, in order to preserve and expand Iranian relations with the EU he was willing to work with the IAEA to calm international fears, as when he agreed to the 2004 Paris Agreement. From the West’s perspective there was still much work to be done, but it should not be ignored that under Khatami the Iranian state did distance itself from Ayatollah Khomeini’s adventurist policies and toward reintegration in the international community in both rhetoric and

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69 Tazmini, *Khatami's Iran: The Islamic Republic and the Turbulent Path to Reform*, 95.
70 Tazmini, *Khatami's Iran: The Islamic Republic and the Turbulent Path to Reform*, 95.
behavior. In short, despite the idealism his “dialogue among civilizations” conveyed, Khatami employed a very realist approach to governance.

Notwithstanding Khatami’s successes on the international stage, he was not able to implement significant domestic reforms or transfer his foreign economic achievements into tangible quality of life improvements at home. In the aftermath of 9/11 and the US invasions of Afghanistan and Iraq—when the world was focused on international and regional matters—a significant number of Iranians were primarily concerned with bread and butter issues. The result was the election of Mahmoud Ahmadinejad and a dramatic shift in Iranian rhetoric. Whether or not Iran’s behavior also changed will be examined in the next chapter.
CHAPTER 4
President Mahmoud Ahmadinejad

Mahmoud Ahmadinejad’s 2005 presidential win ushered in a sharp reversal in Iranian rhetoric from the pragmatic and engaging words of Rafsanjani and Khatami to an ideological and confrontational style reminiscent of the early days of the revolution under Ayatollah Khomeini. He drew condemnation from the West and praise from the Middle Eastern “street” almost immediately. 1 Within the first few months of his presidency there was international outrage over his declaration that “Israel must be wiped off the map.” 2 His later comments on the West’s misguided support for Israel only worsened fears: "They have created a myth today and they call it the massacre of the Jews [the Holocaust]." 3 President Ahmadinejad’s vitriolic language has run the gamut from challenging Israel’s right to exist, condemning US bullying, calling for a new world order, and comparing Iran’s nuclear program to a train with no brakes. 4

This drastic shift in Iran’s ideological rhetoric was due in large part to the factional politics that have plagued the Islamic Republic since its inception. Ahmadinejad is a member of the radical movement Abadgaran (the Developers), an alliance of second-generation—often technocratic—revolutionaries, including many veterans of the Iran-Iraq war, who where disillusioned with Iran’s clerical establishment and wanted to restore the ideals of the revolution. 5 Known as neoconservatives or principalists, these young hardliners agreed with the older conservatives’ concerns over society’s growing lack of religious devotion, but they were increasingly dismayed with

2 AFP, "Iran's Ahmadinezhad Says Israel Should Be 'Wiped Off the Map'," Paris AFP (North European Service) in English 0923 GMT, 26 October 2005, in Open Source Center, EUP20051026102004.
3 "Iran's President Ahmadinezhad Rejects Holocaust as 'Myth'," Tehran Islamic Republic of Iran News Network Television (IRINN) in Persian 0630 GMT, 14 December 2005, in Open Source Center, IAP20051214011013.
the traditional platform supporting laissez-faire capitalism. In contrast, they desired strong state intervention in all areas with an emphasis on redistribution and social justice—the values espoused in 1979. Immediately after his election, Ahmadinejad highlighted this difference when he said, "People think a return to revolutionary values is only a matter of wearing the head scarf. The country's true problem is employment and housing, not what to wear."6

The traditional conservatives, including Supreme Leader Khamenei and other entrenched power brokers, supported this younger generation and their populist notions of development and state building in order to exploit the reformists’ weaknesses in domestic economic issues and regain control of the presidency and Majlis. With the traditional conservatives’ hold on the powerful offices of the faqih, the Guardian Council, military-security organizations, and other key ministries, this new generation of hardline neoconservatives managed to defeat the reformists (who were disqualified in huge numbers) in the 2003 local elections, Majlis elections in 2004 and the presidency in 2005. In the 2005 election, for example, the Guardian Council only approved six candidates to run from a record list of 1,014 applicants. Of those six, five were conservatives of varying stripes, including Rafsanjani (who had once again redefined himself), leaving only one moderately pro-reform cleric. Two other reformists were later allowed to run, but it was clear from the outset that this election would be a contest between hardline and moderate conservatives.7

Few were prepared for the shock of the obscure mayor of Tehran’s landslide victory over the iconic former president Rafsanjani.8 The traditional conservatives had favored another candidate and actually pressured Ahmadinejad not to run and split the vote; however, in the second round of the election they threw their full support behind him.9 As more and more Iranians became disillusioned with President Khatami and the reformists’ lackluster domestic achievements, they followed the normal swing of the

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7 Gheissari and Nasr, Democracy in Iran: History and the Quest for Liberty, 150.
ideological pendulum to the opposite extreme. Furthermore, Ahmadinejad’s populist campaign rhetoric, which focused on economic welfare and political participation, appealed to large segments of voters looking for change. Coincidentally, his campaign slogan was “We Can.”

With his victory, the conservatives succeeded in dominating the entire government. But this did not usher in a harmonious age, free of factional politics; rather, the various factions under the conservative umbrella began to vie for power, pushing some elements to rhetorical extremes as they competed for revolutionary clout.

There is no question that President Ahmadinejad’s bombastic rhetoric has intensified international concerns over the role the Islamic Republic’s ideology plays in its political calculus. It is less clear whether his statements reflect a course correction back to Khomeini’s hardline revolutionary policies or if they are merely politically inspired rants intended to rally his popular base. With fiscal promises so central to his electoral success, it is noteworthy to examine if Ahmadinejad has continued the pragmatic foreign economic policies of his predecessors or if he has abandoned them in pursuit of more ideological aspirations.

Background

Mahmoud Ahmadinejad was born in 1956 in the village of Aradan, a two-hour drive southeast of Tehran. He was the fourth of seven children in a poor, religious family. His father, who alternately worked as a grocer, a barber and a blacksmith, moved the family to Tehran for economic reasons when Ahmadinejad was just a year old. Although he spent most of his early life in a Tehran suburb, Ahmadinejad is proud of his village background and draws upon it to support his image as a common working class man.

Based on his superior academic performance, Ahmadinejad was able to go to the University of Science and Technology in East Tehran to study civil engineering in 1975,

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where his political activism began. As a student, he became affiliated with various political and religious societies that followed the writings of Ayatollah Khomeini, Ali Shariati and other dissidents. With the help of his brothers and friends, the young Islamic hardliner distributed Khomeini’s speeches, anti-Shah leaflets and published an anti-left protest magazine called *Jiq va Dad* (Scream and Shout). At one point, he and his brothers were forced to flee their home to avoid arrest by SAVAK agents looking for their illegal printing press.

During this time, the extremely devout Ahmadinejad was also involved with the Hojjatiyya, a shadowy Islamic sect that hoped to quicken the coming of the *Mahdi*. Khomeini, labeling the group a deviant aberration, forced it to disband in 1983. Ahmadinejad’s apocalyptic beliefs continue to this day and have played a prominent and controversial role during his presidency. Shortly after his election, for instance, in a meeting with Friday prayer leaders from across the country he said, "Our mission is paving the path for the glorious reappearance of Imam Mahdi (May God Hasten His Reappearance)." He has also claimed that the Hidden Imam supernaturally intervened during his 2005 UN speech to open the eyes and ears of the delegates, that he regularly gets divine help making decisions, and that he expects the physical appearance of the *Mahdi* soon. Although the conservative clerics were happy to have a socially conservative president in office, they were not pleased with Ahmadinejad stepping into their religious domain or with his outrageous claims. Furthermore, while some Iranians share his beliefs many others feel he indulges in superstitious nonsense that degrades Islam.

After the Shah’s ouster, Ahmadinejad made his way into the leadership of the Organization for Strengthening Unity (OSU), a national student group formed to counter the rising leftist influence of groups like the Mojahedin-e Khalq (MEK) among university students. 

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16 "Iran: Ahmadinezhd Tells Friday Imams No Place for Luxury in His Government," *Tehran IRNA (Internet Version-WWW) in English*, 16 November 2005, in *Open Source Center*, IAP20051116011087.
17 Arjomand, *After Khomeini: Iran under His Successors*, 156.
students. Through the OSU he had the opportunity to personally meet Khomeini and attend regular meetings with Khamenei. His duties included identifying and purging dissident lecturers and students—many of whom were arrested—as part of Khomeini’s “Islamic Cultural Revolution.” Members of the OSU later planned the seizure of the US embassy in Tehran, although Ahmadinejad reportedly opposed the idea and was kept out of the plan. After the presidential election in 2005, accusations of his involvement abounded from Iranian exile groups and former American hostages. The CIA reviewed the evidence, including supposed photos of Ahmadinejad, and determined “with relative certainty” that he was not involved.

In 1980, Ahmadinejad entered the civil service. He spent the next few years helping put down the Kurdish rebellion in the north as a governor of Maku and then Khoy in Iran’s West Azerbaijan province before he became an advisor to the governor general of Kurdistan. During this time he also volunteered with the Basij, a civilian paramilitary militia. In 1986, after all the disruptions of the revolution, he was finally able to complete his bachelors degree in civil engineering.

To fulfill his compulsory military service, Ahmadinejad chose to serve with his friends in the Islamic Revolutionary Guard Corps’ (IRGC) Special Forces Brigade (Pasdaran). Although he worked primarily as an engineer building bridges and erecting fortifications, he also took part in one of the biggest and most successful covert operations conducted by Special Forces during the Iran-Iraq war—infiltrating and setting fire to an oil refinery in Kirkuk, Iraq. Ahmadinejad’s exact role in the operation is unclear and disputed, but his association with Kirkuk bolsters his reputation as a war

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24 Naji, *Ahmadinejad: The Secret History of Iran's Radical Leader*, 33-34.
veteran. Perhaps most importantly, Ahmadinejad’s military service brought him in contact with a network of IRGC leaders who later became important political supporters.\textsuperscript{25}

After his two years of military service, Ahmadinejad returned to the University of Science and Technology and completed his Master’s degree in 1989. He became a faculty member in the civil engineering department, where he went on to earn his Ph.D. in transportation engineering and planning in 1997.\textsuperscript{26} Meanwhile, Ahmadinejad continued his civil service. In 1993, he was an advisor for cultural affairs to the Minister of Culture and Higher Education and the same year he was appointed the Governor General of Ardabil Province. He was removed from this position in 1997 when the newly elected President Khatami replaced all governors. He subsequently returned to the university as an assistant professor. As president, Ahmadinejad repeatedly describes himself as “first and foremost a university teacher,” suggesting he is still in touch with the people.\textsuperscript{27}

Ahmadinejad’s rise to national prominence began in 2003, when the city’s conservative municipal council elected him mayor of Tehran. He fostered a strong network of grass roots support among Tehran’s deeply religious working class by reversing many of the reformists’ earlier policies—particularly their relaxation of social norms. Charismatic and politically savvy, he gained the admiration of city workers when he donned a street sweeper’s uniform and shunned limousine transportation in favor of his own 1977 Peugeot.\textsuperscript{28} He earned the support of many in the military when he suggested newly recovered bodies of martyrs from the Iran-Iraq war should be buried in major squares, parks and universities around the city in order to honor them and remind citizens of their sacrifice.\textsuperscript{29} Most citizens were appalled at the prospect of turning the city into a

\textsuperscript{25} “Biography of H.E. Dr. Ahmadi Nejad, Honourable President of Islamic Republic of Iran.”
\textsuperscript{26} Naji, Ahmadinejad: The Secret History of Iran’s Radical Leader, 40.
\textsuperscript{27} "Times Topics: Mahmoud Ahmadinejad."
\textsuperscript{28} "Times Topics: Mahmoud Ahmadinejad."
\textsuperscript{29} Ehteshami and Zweiri, Iran and the Rise of the Neoconservatives: The Politics of Tehran’s Silent Revolution, 150.
giant cemetery, however, and forced him to limit the project to 72 sites.\textsuperscript{30} He also focused on religiously inspired projects, such as refurbishing mosques and building over 400 drinking fountains, for which contracts were funneled to his supporters in the IRGC and the Basij.

In contrast to his success in building up his populist base, Ahmadinejad did not have a reputation as a particularly effective mayor. An exchange that reportedly took place between President Khatami and Mayor Ahmadinejad aptly illustrates his approach to city governance during this time. Arriving late to a speech, Khatami joked about the heavy traffic and wondered what the mayor was doing about it. Ahmadinejad retorted that if the president actually lived in the city rather than in the affluent north, he would have gotten to his meeting on time. The remark went over quite well with the public.\textsuperscript{31} Despite his own modest living standards, Ahmadinejad was extravagant with the city’s revenues to pay for his pet projects. After he left office, his successor prepared a report detailing financial irregularities that included close to $400 million of unaccounted expenditures—more than all the irregularities of the past several mayors combined.\textsuperscript{32}

Ahmadinejad ran for president in 2005 on a platform of social justice and clean government, in marked contrast to the perceived corruption surrounding the rich Rafsanjani. His direct manner and blunt criticism of the wealthy attracted lower and middle class voters. He also appealed to a large rural constituency who voted for him in hope of economic change.\textsuperscript{33} Ahmadinejad presented himself as a simple man with a modest upbringing and lifestyle who was familiar with working class problems, to which he offered simple solutions. His chief campaign promise was to bring “the oil money to the people’s dinner table.”\textsuperscript{34} Short on specifics of how he would achieve his economic promises, he nonetheless made many, such as: “Teachers in our society have been making a lot of sacrifices and live on small salaries. We can increase their incomes by

\textsuperscript{30} Takeyh, Guardians of the Revolution: Iran and the World in the Age of the Ayatollahs, 231.
\textsuperscript{31} Ansari, "Iran under Ahmadinejad: The Politics of Confrontation," 29.
\textsuperscript{32} Naji, Ahmadinejad: The Secret History of Iran’s Radical Leader, 55.
\textsuperscript{33} “Times Topics: Mahmoud Ahmadinejad.”
\textsuperscript{34} Arjomand, After Khomeini: Iran under His Successors, 152.
Ahmadinejad also campaigned on Basij-driven revolutionary revivalism. He frequently invoked the memory of the martyrs of the revolution and the Iran-Iraq war, securing the support of key elements in the military-security establishment that were instrumental in bringing out conservative voters. Finally, he had a sense of humor—a rare thing for an Iranian politician.

President Ahmadinejad is an unabashed revolutionary and supporter of Khomeini’s ideology, exhibiting a blend of unpredictability and attachment to tradition and religion that seem excessive even in Islamic Iran. Domestically, his promises to put “oil money on every dinner table” have not panned out. Unemployment, underemployment and inflation still plague the state while extensive subsidies and price controls undermine economic growth. In the first five years of Ahmadinejad’s presidency, Iran’s oil revenue equaled that of the last 25 years under his predecessors, yet he has wasted this windfall on short-term, non-productive programs with little to show. Still, he was reelected in an overwhelming—although highly contentious—election in 2009. Despite allegations of electoral fraud and mass urban protests, Ahmadinejad had a solid base that should not be discounted.

**Foreign Economic Policies**

Internationally, Ahmadinejad’s extreme rhetoric has alarmed leaders around the world and raised deep concerns over the direction he would take Iran’s foreign policies. His apparent delight in the uproar he creates can be explained, in part, by how he perceives Iran’s place in the world. Ahmadinejad’s militant Islamist views, coupled with ardent nationalism, have fed his belief that the Islamic Republic has a right and obligation to be a regional power. While the majority of Iranians are not satisfied with their current role and want to be perceived as a regional player, Ahmadinejad is convinced that...
hegemony is within grasp now.\textsuperscript{41} Ironically, the removal of Iran’s archenemies in Iraq and Afghanistan helped set the conditions for this belief.

Ahmadinejad views the West as Iran’s biggest obstacle to regional dominance, but does not advocate a return to Khomeini’s policy of “neither West nor East.” Discussing his approach to foreign economic relations, he explained, “The building of Iran is never possible without an effective and powerful presence in world relations, and a powerful presence in the world is impossible without the building of Iran.” He went on, “If we do not deal with others, we cannot quit their sphere of decision-making. If we suppose they should write…the rules of the game in the world…we should always live under their rule. We cannot sever our relations with the global economy. We have to maintain economic relations. But it is they who have written the laws and regulations. The Imam came and our revolution started with a divine slogan…Neither East, nor West, Islamic Republic. Since that day, the game of poles in the world has been destroyed. Nations have realized that there is another way of life.”\textsuperscript{42}

While Ahmadinejad evoked the ideological rhetoric of “neither West nor East,” it was to acknowledge that the world had changed. Pragmatically, he recognized Iran could not return to a position of isolation if it was to become a regional leader but neither did it have to play by the West’s rules. Thus, he enacted a policy of confrontational engagement with the West in his attempt to chart a new course for the Islamic Republic, all the while demanding that the world deal with Iran as an equal.\textsuperscript{43}

The West

In Ahmadinejad’s first press conference after being elected president, a reporter asked him if he would go beyond the rhetoric and clearly state his policies about the United States. He answered, “The policies of the Islamic Republic have always been

\textsuperscript{41}Rahman Ghahremanpour. \textit{Iran Looking West: Identity, Rationality and Foreign Policy}. Iran and the West: Regional Interests and Global Controversies. FOI (Swedish Defence Research Agency), March 2010.


clear and transparent. We want to expand fair relations with all countries based on mutual respect. With a high self-esteem and self-confidence, our nation now is moving in the direction of development and perfection without really needing the United States. However, any country that is not hostile towards the Islamic Republic will be considered in Iran's foreign policies." In reality, Ahmadinejad quickly moved away from Khatami’s passive dialogue among civilizations and insisted on a robust and defiant attitude towards the West. For example, in response to President Bush’s accusations that Iran violated human rights he ranted, "Those whose hands are stained with the blood of world people, who have staged wars in various points, who are killing oppressed and defenseless people and who have taken more than 60 million lives in a single world war, currently accuse our nation of violating human rights and freedom." 

Ahmadinejad was convinced that negotiating with the West, and the United States in particular, was a fruitless exercise. One just had to look at the facts: despite Khatami’s attempts at dialogue, assistance in Afghanistan, and signing the Paris Agreement, the United States’ position towards Iran was only hardening. President Bush’s 2003 “axis of evil” speech, National Security Adviser Stephen Hadley’s labeling Iran "the #1 state sponsor of terror,” and the Bush administration’s insistence that Iran could not be trusted with the ingredients for a nuclear weapon all fed the perception that Iran was next on the US list for regime change. This, coupled with Iran’s historical memory of the Mossadeq coup, US support for Saddam Hussein during the Iran-Iraq war, plus years of sanctions and mutually hostile rhetoric, has resulted in a sense of constant insecurity in which the United States is perceived as an existential threat. In this context, it is understandable why the majority of Iranians agree with Ahmadinejad when he says things like, "Our country will not overlook its rights, nor will it yield to world hegemonic

44 “Ahmadinezhad Era under Discussion,” OSC Feature (based on IRINN, Iranian TV News Network, 26 June) 1335 GMT, 1 July 2005, in Open Source Center, FEA20050629004781.
45 Ansari, "Iran under Ahmadinejad: The Politics of Confrontation," 46.
46 "Iranian President Promises to Continue Path of Progress, Advancement," Tehran IRNA (Internet Version-WWW) in English 1352 GMT, 1 February 2006, in Open Source Center, IAP20060201011034.
powers, which consider themselves as owners of the whole world. The Iranian nation will rather outcry, 'Nuclear Energy is our inalienable right'!" In fact, most Iranians do support the Islamic Republic’s nuclear program, viewing it as a deterrent that helps ensure the country’s security and respect from the international community.

In spite of his ideological and confrontational rhetoric, Ahmadinejad has attempted to reach out to the United States. In May 2006—a time when tensions between the two countries were at an unprecedented height over Iran’s nuclear program—he sent an open, albeit unorthodox, letter to President Bush. In this first official communiqué from Iran since 1979, Ahmadinejad employed an array of cultural, political, economic and religious arguments to discuss the major political themes of the day. Far into the 18-page letter he stated, “My basic question is this: Is there no better way to interact with the rest of the world?” He stressed the shared values of the great monotheistic religions and invited President Bush to return to the ideals of humanity and perhaps even convert to Islam. Communication analysts suggested that it appeared to be an attempt to open “a line of moral and philosophical communication” with President Bush. White House spokespersons dismissed it as a “meandering screed” that did not address US concerns over Iran’s nuclear program. The only official comment Bush made was that he believed Ahmadinejad was “a very strange man.” A few months later, Ahmadinejad challenged Bush to a debate at the UN, which was also rejected.

Thus, reminiscent of some American views about Iran, Ahmadinejad held that the West only respected strength. He sought to return to the early days of the revolution

48 “Iranian President Promises to Continue Path of Progress, Advancement.”
52 Naji, Ahmadinejad: The Secret History of Iran's Radical Leader, 196.
when Iran stood alone and “America could not do a damned thing.” Hamid Hajibabaei, a conservative member of the *Majlis*, supported this stance during a 2007 interview with *Frontline*: “I don’t want to say that I agree with everything Dr. Ahmadinejad says, with every word he utters, but his politics have been successful against the bullying and power plays of the United States. Mr. Bush pays attention only to the language of force.”

Since 2005, Iran’s relations with the West have revolved primarily around Tehran’s nuclear program, which Ahmadinejad immediately restarted upon taking office. Less than a year later he announced Iran had successfully enriched uranium, declaring, “Access to the nuclear fuel cycle is a national demand of the entire Iranian people.” In 2006, the Islamic Republic also stopped voluntarily implementing the IAEA’s Additional Protocols and refused to satisfactorily answer questions about nuclear weaponization experimentation. The Bush administration refused to negotiate with Iran until after all enrichment-related activities were suspended.

Instead, the United States relied upon the EU to convince Iran to cooperate. However, EU-Iranian relations suffered a serious setback with Ahmadinejad’s election. His inflammatory remarks about Israel and the Holocaust—which are particularly sensitive topics in Europe—poisoned the diplomatic climate and destroyed the inroads Khatami had made. Economic opportunities also suffered since the Trade and Cooperation Agreement negotiations initiated during Khatami’s presidency were put on hold in August 2005 when Ahmadinejad effectively renounced the Paris Agreement. Yielding to the US position, the EU’s Iran policy was essentially reduced to talks over Iran’s nuclear file and related sanctions. The EU presented Iran offers of negotiated solutions for its nuclear program in 2006 and 2008, both of which included several economic and diplomatic incentives backed by the United States and the UNSC.

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54 Ansari, *Confronting Iran: The Failure of American Foreign Policy and the Next Great Crisis in the Middle East*, 230.
Ahmadinejad commented on the 2006 offer during a speech in Iran, “We're interested in having problems solved through talks. ...But it seems that these gentlemen have misinterpreted our stances. They thought that they could create a truncheon by the name of a resolution and then say: Accept this! If you don't accept it, we will condemn you.”

Tehran rejected both offers.

As a result, the United States was finally able to rally international support for a series of UNSC sanctions enacted in 2006, 2007, and 2008. These new sanctions affected the EU’s trade with Iran far more than American businesses, which have long been limited by US sanctions. Between 2008 and 2009 alone, for instance, EU exports to Iran dropped by 45%. Moreover, in addition to unilaterally sanctioning Iranian banks, the Bush administration launched a global campaign to convince major foreign banks to stop doing business with Iran. Over 90 international banks agreed. In a 2008 speech at an Iranian rally, Ahmadinejad dismissed the West’s attempts to isolate and punish Iran: “They (the West) presumed that they could crush the Iranian nation's will by exerting pressure from here and there. …[Iran] will remove all the trivial problems and obstacles that you presume you have created for the nation with all your efforts. Do not presume that you can gain anything in Iran by playing childish games. The Iranian nation has not gained its revolution and goals easily, so that it gives them up to some superpowers.”

When President Obama took office in 2009, a breakthrough in US-Iranian relations seemed possible. He made numerous speeches in the Middle East, in which he acknowledged the negative preconceptions between the two countries as well as his desire for a new beginning. He wrote two private letters to Supreme Leader Khamenei and has sent Nowruz messages to Iran every year of his presidency. His 2009 message, which called for engagement based on mutual respect, was the first time an American

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60 Hadley, "The George W. Bush Administration," 144.
president has spoken directly to the government of the Islamic Republic as well as to its people.\textsuperscript{62} Khamenei’s response to the message was to say he “did not know why this velvet-glove is covering [Obama’s] wooden hand.”\textsuperscript{63} Thus, each subsequent year Obama’s messages have been directed increasingly to the Iranian people, as little headway has been made with the government. In his 2010 address, for instance, Obama challenged the regime, “We know what you’re against. Now tell us what you’re for.” In 2011, he only talked about Iran’s government, not to it.

The Obama administration also tried to reach out more substantively. In 2009, the United States engaged in talks with Iran alongside the EU for the first time. They brokered a confidence-building deal between Iran, Russia and France in which the Tehran Research Reactor would receive fuel rods needed to continue producing medical-grade radioisotopes. Ahmadinejad initially embraced the deal, but it collapsed within weeks due to factional infighting in Tehran. Both conservative groups and the newly prominent Green Movement opposed the deal on political grounds—they apparently did not want Ahmadinejad to get credit for any agreement favorable to Iran.\textsuperscript{64}

For his part, Ahmadinejad also reached out to Obama, for which he received mixed reactions at home. In a letter congratulating him on his electoral win, Ahmadinejad told the president-elect, “the nations of the world expect an end to policies based on warmongering, invasion, bullying, trickery, the humiliation of other countries by the imposition of biased and unfair requirements, and a diplomatic approach that has bred hatred for America's leaders and undermined respect for its people.” However, he also added, “The great civilization-building and justice-seeking nation of Iran would welcome major, fair and real changes, in policies and actions...”\textsuperscript{65} Ahmadinejad sent a second letter in early 2010; Obama did not reply to either letter.

\begin{footnotes}
\item[64] Limbert, "The Obama Administration," 147.
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With little to show for its diplomatic efforts, the United States shifted to a dual-track policy in 2010, designed to maintain the possibility of engagement while pushing for new sanctions. Essentially, the Obama administration resigned itself to the standard US punishment strategy. In June of that year, the UNSC passed the latest sanctions against Iran, which included multilateral restrictions on some Iranian banks. In typical fashion, Ahmadinejad commented on the sanctions: "For us, they are like annoying gnats. They have now adopted a resolution against us, but we treat it like a paper napkin, with which we have wiped our mouth and thrown it in the trash."66

Despite President Bush’s “axis of evil” rhetoric, trade between Iran and the United States rose by nearly 600% during Ahmadinejad’s first four-year term, with US exports to Iran in 2008 totaling $683 million.67 Admittedly, this number is high (up from $145 million the year prior) because Iran experienced a major drought and imported US wheat for the first time in 27 years. Still, US exports were trending upwards and the fact that Iran bought wheat from the United States instead of waiting to buy it from another country, or using an intermediary to import it, suggests Ahmadinejad was not concerned about hiding relations with the Great Satan.68

During Obama’s administration, US-Iranian trade remains higher than it has been since ILSA was passed in 1995 (excluding the anomalous 2008 wheat sales), with US exports to Iran totaling $280 million in 2009 and $208 million in 2010.69 The EU, as a whole, remains Iran’s number one trading partner, accounting for almost a third of Iran’s imports, but trade relations are increasingly hampered due to sanctions.70 By late 2010, major multinational firms—including the foreign affiliates of Caterpillar and GE, as well as Siemens and Toyoto—were pulling out of the Islamic Republic, deciding the market

66 “Iran Sanctions May Have Little Effect,” Moscow Moskovskiy Komsomolets Online in Russian, 10 June 2010, in Open Source Center, CEP20100611009013.
67 US Census Bureau, "U.S. International Trade Data."
69 US Census Bureau, "U.S. International Trade Data."
70 European Commission, "Trade: Iran."
was not worth the trouble.\textsuperscript{71} Paradoxically, the pull out of foreign companies gave the Iranian economy a boost as it opened up opportunities for domestic firms, particularly those with IRGC connections.\textsuperscript{72} Despite Ahmadinejad’s flippant dismissal of UN sanctions, they have made life more cumbersome and imports more expensive.\textsuperscript{73} When combined with Ahmadinejad’s own bumbling of the Iranian economy, record oil prices and Iran’s ties with the East are the only thing keeping the Islamic Republic afloat.

The East

As relations with the West became more heated, Ahmadinejad sought to establish closer ties with Russia and China in a reinvigorated “look to the East policy.”\textsuperscript{74} All three countries shared a common desire to limit US influence in Central Asia, as well as to expand their economic relations.

Russia, in particular, welcomed the election of Ahmadinejad, expecting his hardline views would curtail any rapprochement with the United States. President Putin was one of the first heads of state to congratulate him on his victory. The president-elect responded by stressing his desire to continue cooperation between the two states and specifically stated, “We hope that Russia’s participation in the implementation of a project in the field of nuclear energy will also be continued...”\textsuperscript{75} Russia had major economic incentives to support Iran’s nuclear program with its contract for the Bushehr nuclear reactor and hopes for additional reactor contracts in the future. Furthermore, politically influential Russian companies—like the arms export agency Rosoboronexport


\textsuperscript{74} Afsaneh Ahadi and Nasser Saghafi-Ameri. \textit{Iran and "Look to the East" Policy}. Center for Strategic Research, 2008.

and Gazprom, a prominent voice in the Russian petroleum industry—had vested interests in good Russian-Iranian relations.\textsuperscript{76}

Iran was likewise interested in expanding and strengthening economic ties with Russia. Soon after taking office Ahmadinejad courted Putin during a face-to-face meeting, "Powerful Russia is Iran's best friend and powerful Iran is one of the best friends of Russia. …Our government is seeking to develop relations with Russia on a long-term basis."\textsuperscript{77} Khamenei himself invited Russia to form a strategic alliance with Iran in 2007. He essentially proposed that they divide Central Asia and the Middle East into spheres of influence so as not to compete with each other.\textsuperscript{78} He also suggested, based on the fact that together the two countries hold nearly half the world’s gas supplies, that they should establish an organization of gas exporting countries like OPEC.\textsuperscript{79} Putin said he would think about the proposals but never brought them up again. While this undoubtedly annoyed the Supreme Leader, it did not dampen ongoing Russian-Iranian economic relations. As proof, bilateral trade between the two countries reached $3.7 billion in 2008, up from $2 billion just three years earlier.

China was also interested in expanding economic relations with Iran, particularly with its rapidly growing energy requirements. By 2009, China was importing 11% of its oil from Iran—one of its biggest suppliers. Early on, Ahmadinejad stressed his desire to promote ties with China. "I know China very well," he said. "During my term of office as Tehran mayor, I had frequent contacts with many Chinese companies cooperating with us, through which I have become quite familiar with China and the Chinese people."\textsuperscript{80}

To China’s delight, Ahmadinejad has proven just as pragmatic as his predecessors in keeping the Islamic Republic’s ideology out of business. Notably, in July 2009, ethnic

\textsuperscript{76} Katz, "Iran and Russia," 187-188.
\textsuperscript{77} "Ahmadinezhad Says 'Powerful Russia Is Iran's Best Friend','" \textit{ITAR-TASS in Russian at 1458 GMT}, 15 September 2005, in \textit{Open Source Center}, FEA20050915008638.
\textsuperscript{78} Mark N. Katz, "Russian-Iranian Relations in the Ahmadinejad Era," \textit{Middle East Journal} 62, no. 2 (Spring 2008).
\textsuperscript{79} "Iran: Khamene'i Stresses 'Great Importance of Tehran-Moscow Cooperation','" \textit{Tehran IRNA (Internet Version-WWW) in English 1635 GMT}, 28 January 2007, in \textit{Open Source Center}, IAP200701299500004.
\textsuperscript{80} "Iran's Ahmadinezhad Tells Xinhua of Willingness to Develop Ties with China," \textit{Beijing Xinhua in English 1907 GMT}, 26 June 2005, in \textit{Open Source Center}, CPP20050626000098
riots broke out in Urumqi, the capital of Xinjiang province, when two Muslim Uighur workers were killed. After the Chinese government put down the riots more than 150 people had been killed, 800 injured and over 1,000 arrested—almost all of them Uighurs. Iranian state-run media censored coverage of the riots and referred to the Uighur protesters as ‘hooligans,’ not Muslims. Ahmadinejad’s opponents pounced on his silence. Grand Ayatollah Nasser Makarem Shirazi demanded that the Foreign Ministry condemn the Chinese government's horrible backing of "racist Han Chinese" violence against Muslim Uighurs. He went on to claim, “The Chinese government's backing of the violent suppression of Muslims and the closure of mosques indicate that a conspiracy is underway against Muslims in the region. …Our people expect the government of the Islamic Republic of Iran to not remain silent and adopt a stronger position instead of abandoning our Muslim brethren to their own fate.” Ahmadinejad’s government tried to defuse the situation by claiming the West stirred up all the trouble in China out of jealousy of Beijing’s economic successes, but otherwise maintained its silence.

Ahmadinejad’s continuation of Iran’s highly pragmatic relationship with China has paid off. China has over 100 state-owned enterprises operating in Iran and has continued to expand its presence. Furthermore, trade between the two countries reached $30 billion in 2010 and is expected to reach $50 billion in the next five years. Finally, in August 2010, Chinese Vice Premier Li Keqiang reassured Iran that China would still cooperate on existing large-scale energy projects, even after the United States directly called on Beijing to observe the UN sanctions.

The UNSC sanctions resolutions did affect Iranian relations with Russia and China. Despite their vested interests, neither country could completely ignore the growing international worry over the Islamic Republic’s nuclear program. They had to balance their desire to preserve relations with Iran without drawing the West’s ire upon themselves. Russia, in particular, had to protect vital economic ties it was developing with the West. To balance these competing interests, Moscow has tried to shield Iran

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81 Park, "Iran and China," 183.
84 Park, "Iran and China," 183.
from the international community, supporting its right to a peaceful nuclear energy program, while at the same time offering up uranium enrichment solutions that would ease the West’s concerns about nuclear proliferation. Because Iran would not cooperate, however, Russia felt compelled to vote for all four UNSC sanctions resolutions, although it did work to soften them. In essence, Russia has tried to play both sides by demonstrating to Iran that it can protect the Islamic Republic if it cooperates with Moscow—but that it can side with the West if it does not.\textsuperscript{85}

Not surprisingly, Ahmadinejad has not played along. He repeatedly rejected Moscow’s proposals to enrich uranium for Iran, implying that the Islamic Republic could not trust Russia to guard its national security interests any more than it could the West. As evidence, Iran points to Russia’s stalling on the completion of the Bushehr reactor, which was supposed to be completed in 2007 but has yet to go on-line. A canceled $1 billion weapons deal for S-300 air defense missiles is further proof. Moscow reneged on the sale, which was supposed to be delivered in mid-2009, due to pressure from Israel and the United States.\textsuperscript{86} Infuriated, Ahmadinejad threatened to sue Russia in November 2010, railing, “Some people who are under the influence of the devil think that if they one-sidedly—and of course illegally—cancel some of their defense contracts with us, they will damage the Iranian nation, that they can sell us to the enemy, and one-sidedly cancel a contract, for which they have been paid. I want to tell them…the Iranian nation will enforce its right and ask them to pay damages and compensations.”\textsuperscript{87}

Russian-Iranian relations continued to decline in mid-2009, when President Medvedev congratulated Ahmadinejad on his contentious reelection victory shortly after it was declared. Green Movement supporters shouted “Death to Russia” during Friday prayers for the first time in years. In December 2009, Ahmadinejad began calling for Russia to pay compensation for the Soviet occupation of the northern half of the country

\textsuperscript{85} Katz, "Iran and Russia," 187.
\textsuperscript{86} Mark N. Katz, "Russian-Iranian Relations in the Obama Era," Middle East Policy XVII, no. 2 (Summer 2010): 66.
\textsuperscript{87} “Iran: Ahmadinejad Threatens to Sue Russia over S-300 Contract,” Tehran Islamic Republic of Iran News Network Television (IRINN) in Persian 0759 GMT, 3 November 2010, in Open Source Center, IAP20101103950052.
during World War II.\textsuperscript{88} This was likely a political stunt on Ahmadinejad’s part, designed to boost his own plummeting domestic popularity by distancing himself from the ‘lesser Satan.’ (A poll conducted the previous month showed that 93.5\% of Iranians had a negative opinion of Russia.\textsuperscript{89}) It merely added to the tension between the two governments. Finally, in March 2010, Tehran ordered all Russian commercial pilots to leave Iran, blaming them for a spate of recent plane accidents.\textsuperscript{90} In reality, this was likely a demonstration of Iran’s growing frustration over all the aforesaid issues.

China has been more successful in separating the nuclear issue from its economic and diplomatic relations with Iran. However, when Russia gravitated toward the West and agreed to the UNSC sanctions China had to follow suit. Otherwise, it would have been the only permanent member of the UNSC to defend Iran and would have risked hurting its own international standing.\textsuperscript{91} Therefore, China also supported all the UNSC sanctions on Iran although, like Russia, it has consistently tried to limit and dilute them. As a result, the sanctions are highly targeted—directly addressing individuals and organizations involved in enrichment activities only—and specifically preclude military action. Furthermore, both China and Russia abide by narrow interpretations of the sanctions—versus the broad intent the West endorses—and have thus been willing to engage in trade other countries find questionable. As a result, the UN sanctions have led to enormous financial gains for Russia and especially China, as western companies have pulled out of Iran and they have moved in to fill the void. Those items they have not been comfortable trading directly with Iran are often simply funneled through intermediaries in the Gulf.

\textsuperscript{88} “Russia: Iran’s ‘Demagogic’ Claim for Compensation for Wwii Occupation Eyed,” Moscow Vedomosti Online in Russian, 23 December 2009, in Open Source Center, CEP20091223004014.
\textsuperscript{89} "Iran: Opinion Survey Underscores Russia's Unpopularity among Iranian Public.,” Tehran Siyasat-e Ruz in Persian, 17 November 2009, in Open Source Center, IAP20091123950140.
\textsuperscript{90} Katz, "Russian-Iranian Relations in the Obama Era," 67.
Iran’s relations with the Gulf States began to deteriorate once again after the United States’ 2003 invasion of Iraq. The GCC countries became increasingly concerned about Iranian influence with Iraq’s, as well as their own, Shi’a populations. With Ahmadinejad’s election, their fears were compounded. Most immediate was their concern over his inflammatory rhetoric. As distasteful as his threatening comments about Israel and his Holocaust denial conference were to the West, this rhetoric resonated positively among many Arabs who have a far greater interest in the Arab-Israeli conflict than the Persians in Iran. Ahmadinejad’s skillful use of rhetoric enhanced his popularity and legitimacy with Arabs of all sects by highlighting the failure of Arab rulers to stand up to the United States and Israel. A 2010 Arab public opinion poll conducted by Shibley Telhami of the University of Maryland with Zogby International is revealing. Arabs in Egypt, Jordan, Lebanon, Morocco, Saudi Arabia, and the UAE were asked which two world leaders they admired most. 12% identified Ahmadinejad as their first choice and 7% ranked him their second. He came in third on both lists, beating out every other Middle Eastern leader. (Recep Erdogan, the Turkish Prime Minister, and Hugo Chavez of Venezuela came in first and second.) In short, Ahmadinejad’s ideological rants were not intended to rally a “Shi’a crescent” and “export the revolution” but to advance Iran’s political influence and stature as a regional leader.

The mere idea that Arab Shi’ites were being inspired—if not actually guided—by Iran to engage in political action influenced the policies of some Arab governments. For instance, when Israel launched the Gaza War in December 2008, moderate Arab leaders were quiet. Egypt’s President Mubarak actually blamed the violence on Hizballah Islamists, who he accused of supplying weapons to Hamas. Ahmadinejad, however, loudly condemned Israel’s actions and the Arab’s inaction: “If the Arab League does not want to do anything today, then when does it want to do something? Aren’t

these oppressed Palestinians Arabs? So when should the capacity of this Arab League be used? You saw that oppressed woman in Gaza on TV who was helpless and distressed and she was shouting: Arabs where are you? Why aren't you coming to help your oppressed sisters and brothers, who are being cut into pieces under the bombardment of some uncultured Zionists who have a brutal nature?"  

Rhetoric like this reinforced the belief of rulers in places like Egypt, Saudi Arabia and Jordan that their major regional concern was the rise of Iran. Encouraged by the United States, these countries began moving into a tacit alliance with Israel to contain the Islamic Republic. Presenting Iran as the chief defender of the Palestinian cause, Tehran’s response to the Arab people was that it was not their enemy; the real enemy was their own regimes.  

While it is far too soon to determine with accuracy what, if any, role Iran played in each of the “Arab Spring” uprisings, particularly among Bahrain’s Shi’a population, Arab rulers have been quick to accuse the Islamic Republic of meddling in their internal affairs. Saudi Arabia and Bahrain, in particular, have accused their Shi’a populations of loyalty to Iran; a charge they reject. Rather, protestors assert the Sunni governments are the ones who have stoked sectarian tensions to avoid dealing with their very real complaints of institutionalized economic and social discrimination.  

For its part, Iran has denied fomenting the revolts, although it has taken obvious pleasure in the fall of Iran’s longtime adversary, Hosni Mubarak. But Egypt and Iran have not had ties since 1981, so there was little risk involved in supporting the popular movement. In the Gulf, however, Iran has ties with all the GCC states—despite their underlying suspicions—and has been careful to maintain correct relations. Of note, trade between Iran and the GCC has increased dramatically since Ahmadinejad took

office in 2005, when Iran was exporting $1.4 billion and importing $7.3 billion. By 2008, these numbers had doubled to $2.7 billion and $14.7 billion respectively.\(^9\) Although internal debate and disagreements over the role Iran should be playing in the Arab Spring have been taking place among various Iranian factions, as it stands, Tehran and Ahmadinejad have remained largely quiet about the Arab uprisings.\(^1\) In mid-May 2011, Tehran even told an Iranian flotilla that was on its way to show solidarity with Shi’a protestors in Bahrain to abandon its plan. The convoy, carrying 120 students, clerics and activists, responded to the authorities’ request and returned home.\(^2\) This is hardly the position of ideologues trying to export the revolution.

Iran’s trade with the Gulf States did begin to decline in 2009 due to the UN sanctions over its nuclear program. A nuclear-armed Iran is not a comforting prospect for Arab leaders, but concerns seem to center more on how this would impinge upon their own prestige in the region. If Iran were to acquire a nuclear weapons capability, it would likely drive other countries in the region to follow suit in order to maintain military parity—not out of fear of an Iranian nuclear attack. Even Saudis who hate Iran have a hard time believing the Islamic Republic would launch a nuclear attack against the birthplace of their prophet and their religion.\(^3\) Interestingly, in the Arab public opinion poll cited above, 77% of the respondents believed Iran had a right to develop its nuclear program, and 50% of the Saudi respondents who believed Iran was seeking nuclear weapons believed it should still be allowed to complete its nuclear program.\(^4\)

As a whole, the Gulf States are deeply concerned about Iran’s rising power and the potential of a nuclear-armed Iran, but they tend towards cautious cooperation. They fear and distrust Iran, but they also fear the prospects of further US or Israeli action in the

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\(^9\) Habibi, "The Impact of Sanctions on Iran-Gcc Economic Relations."
\(^1\) Alex Vatanka, "Iran’s War of Words with the Gcc Heats Up," (20 April 2011), http://www.jamestown.org/programs/gta/single/?tx_ttnews%5Btt_news%5D=37818&cHash=310a965621cdd530981d48cc931e3f4c (accessed 5 May 2011).
\(^4\) Telhami, "2010 Arab Public Opinion Poll."
Thus, Ahmadinejad and his southern neighbors maintain uneasy yet pragmatic relations.

**Analysis**

President Ahmadinejad’s incendiary rhetoric is commonly held up as proof that he, and by extension the Islamic Republic, is irrational and dangerous. His confrontational and obstinate stance towards the West contributes to this perception. Yet, while his defiant rhetoric has diverted sharply from the pragmatic trend witnessed under Iran’s previous two presidents, his behavior has not. Ahmadinejad is a true believer in the Islamic Revolution and he regularly employs ideological language reminiscent of Ayatollah Khomeini. In practice, however, he has not attempted to reinstitute Khomeini’s ideologies of “neither West nor East” or “exporting the revolution.” Rather, his foreign policies have largely retained the pragmatic focus of Rafsanjani and Khatami.

In the East, Ahmadinejad continued the familiar pattern of ignoring the plight of fellow Muslims in Xinjiang province in exchange for lucrative economic and diplomatic relations with China. While he also sought to strengthen ties with Russia, their bilateral relations suffered setbacks over Russian support for the UN sanctions, incessant delays on the Bushehr nuclear reactor, and the cancelled S-300 contract. It is telling that Ahmadinejad’s anti-Russian rhetoric did not begin until after these problems arose. It reflected both his frustration with Russia’s policies and his willingness to exploit and twist popular animosity towards Russia for his own domestic political gain. It was not driven by ideology.

The Islamic Republic’s overall economic relations with the EU have also deteriorated since Ahmadinejad took office, but this is due to multilateral sanctions and withdrawals they have initiated, not Iranian attempts at self-sufficiency. More telling is Iran’s continued economic relations with the United States. Admittedly, Ahmadinejad has been less willing than his predecessors to cooperate with the West in exchange for material incentives, but it has been the terms of cooperation—not the partners—that he has rejected. His multiple letters to American presidents; interviews and debates with US news organizations, think tanks and universities; and his unabashed economic deals all point to a leader that is comfortable engaging with the West. In fact, he has made far

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104 Ottaway, "Iran, the United States, and the Gulf: The Elusive Regional Policy," 20.
more overt and official attempts to engage the United States than the pragmatic Rafsanjani or reformist Khatami. Whether or not the West has liked his messages, or taken them seriously, is another issue. Pragmatism does not mean conciliation. Ahmadinejad’s foreign policies have been consistent with preserving Iranian state interests and independence, not necessarily the interests of the international community. In short, this is hardly a return to the revolutionary ideology of 1979.

To date, Ahmadinejad’s pragmatic stance towards the “Arab Spring” uprisings offers further evidence that state interests, not ideology, guide his behavior. As popular rebellions have spread across the Middle East, there would seem to be no better time to “export the revolution” and attempt to influence events, yet he has remained largely silent. This current behavior also lends credence to the proposition that his notorious rhetoric in support of Arab causes, including his anti-Israeli rhetoric, have been attempts to boost the regional standing of Iran and himself, not to foment revolts against Gulf regimes.

Paradoxically, Ahmadinejad’s hardline neoconservative credentials and confrontational rhetoric likely provided political cover for his departure from Khomeini’s ideology. In January 2011, Reza Aslan suggested in his Atlantic article “Do We Have Ahmadinejad All Wrong?” that it was a mistake to draw simple conclusions about Ahmadinejad based on his public rhetoric, and that behind the scenes he may be a bigger advocate for domestic reform than his Green Movement opposition. This in no way suggests that Ahmadinejad is actually a benevolent, merely misunderstood, leader; rather, because his faithfulness to revolutionary ideals has been so strident, and perceived as unassailable, he has been able to challenge the tenets of the Islamic Republic in ways neither of his predecessors could have gotten away with.

Recently, however, Ahmadinejad may have pushed too hard. In April 2011, Khamenei overruled his decision to dismiss the head of the Ministry of Intelligence; Ahmadinejad protested this interference by staying home for eleven days. Since then, a power struggle between the two most powerful leaders in Iran—one that has brewed

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105 Reza Aslan, "Do We Have Ahmadinejad All Wrong?," The Atlantic (13 January 2011), http://www.theatlantic.com/international/archive/2011/01/do-we-have-ahmadinejad-all-wrong/69434/ (accessed 4 May 2011).
under the surface for years despite their alliance—erupted into the open. Factional politics are at the forefront with the neoconservatives attempting to limit the power and influence of the clerical establishment, while the traditional conservatives under Khamenei appear to have no further use for Ahmadinejad and his crowd. Opponents in the Green Movement agree with both sides. In an ominous sign for Ahmadinejad, crowds at Tehran’s Friday prayers recently shouted, “Death to opponents of the Supreme Leader!” There is no telling how this will turn out for Ahmadinejad, but it demonstrates the complexity and importance of the Islamic Republic’s internal dynamics. With this in mind, it is far too simplistic to presume Ahmadinejad’s—or any Iranian official’s—rhetoric represents the policies of the Islamic Republic. In reality, rhetoric typically only represents the politics.

Conclusion

It has been more than 30 years since the Iranian revolution fundamentally altered the relationship between the United States and Iran. In the short span of 1979, the United States lost one of its closest allies in the Middle East and was subject to the psychologically cataclysmic drama of the US hostage crisis, a humiliation many Americans have yet to move beyond. Since then, the Islamic Republic and the United States have been stuck in a seemingly inescapable, hostile relationship. This conflict has centered on symbolic discourse as much as any substantive differences—what William Beeman calls a true postmodern culture conflict.¹ Iranians have an image of the United States as the Great Satan, the intrusive and exploitive superpower that propped up the despotic Shah for so many years. Americans view the Islamic Republic as an irrational and belligerent regime driven by a fanatical religious ideology.

With diplomatic, trade, and cultural ties severed, the opportunities for normal sustained interactions that might dispel these caricatures have been limited. Instead, the two states have had to communicate and decipher each other’s interests and intentions based largely on public statements in the media. While perhaps unavoidable at this point, this approach tends to distort reality. As a result, the United States has attributed disproportionate weight and meaning to the Iranian regime’s ideological rhetoric. Between the two nations a significant cross-cultural communication dysfunction exists, in which almost every communication element is misunderstood.² There are a plethora of examples magnified by cultural differences. Where Iranians might view an emotional outburst as an effective communication tool, Americans are likely to regard the speaker as unstable and disregard the entire message. Prime Minister Mossadeq, for instance, gave interviews in his pajamas, frequently cried and had public “tantrums,” yet Iranians considered him an able statesman. American observers, on the other hand, called him the

¹ Beeman, The "Great Satan" Vs. The "Mad Mullahs": How the United States and Iran Demonize Each Other, 4.
² Beeman, The "Great Satan" Vs. The "Mad Mullahs": How the United States and Iran Demonize Each Other, 46.
“crying premier” and a “dizzy old wizard.”\(^3\) Additionally, both sides often appear to be addressing each other when in fact they are conveying messages to their own domestic populations. This is increasingly problematic with the expansion of information communication technologies. With worldwide access to nearly everything politicians say and do, it is nearly impossible to tailor messages for distinct audiences. Finally, mistranslations are common. One of the best-known examples is President Ahmadinejad’s comment that Israel should be “wiped from the map.” A more accurate translation of the Farsi remark is, “This regime occupying Jerusalem must vanish from the page of time.”\(^4\) Instead of meaning ‘destroy’ as the West frequently interprets it, the comment actually means, “...the existing political borders should literally be wiped from a literal map and replaced with those of historic Palestine.”\(^5\) That may be small comfort to the Israeli government, but there is a significant gap between the interpretations—one that the media is hardly qualified or incentivized to explain. Consequently, it can be difficult for Americans, including policy makers, to grasp the true meaning of Iranian rhetoric resulting in them frequently taking the distorted explanations and translations at face value.

An effective foreign policy strategy requires an accurate understanding of not only what a regime says and does, but also what it likely means. Only then can its behavior and view of the world be comprehended. Attempting to engage an adversary, much less change its behavior, without understanding the underlying motivations is tantamount to treating symptoms instead of the actual disease. In such a situation, any benefit derived is most likely accidental and undoubtedly tactical while strategically the situation remains the same or actually compounded by a misinformed diagnosis and an ill-advised remedy.

\(^3\) Mary Ann Heiss, "Real Men Don’t Wear Pajamas: Anglo-American Cultural Perceptions of Mohammed Mossadeq and the Iranian Oil Nationalization Dispute," in Empire and Revolution: The United States and the Third World since 1945, ed. Peter L. Hahn and Mary Ann Heiss (Columbus, OH: The Ohio State University Press, 2001), 183.


\(^5\) Aslan, "Do We Have Ahmadinejad All Wrong?."
While US differences with the Iranian regime on any number of issues are substantial enough, there has been a tendency to exacerbate the problem by misdiagnosing Iran’s foreign policy motivations because of the regime’s distracting rhetoric. The United States often presumes ideological drivers when, in fact, the Islamic Republic’s behavior has been consistent with a realist worldview that prioritizes material interests, security and power, not ideology. US misperceptions of Iran as an ideologically driven, irrational state have steered Washington towards a foreign policy of isolation and coercion for over thirty years. This ‘prescription’ has proven ineffective and counterproductive in either engaging the Iranian regime or undermining it and yet no cohesive, alternative strategy has emerged. Sanctions and international isolation have not convinced the Islamic Republic to forego what it perceives as the means to ensure its survival, independence and rising power—whether that is its nuclear program, its asymmetric military capabilities, or its aggravating agitation in the Third World. To the contrary, coercive diplomacy has bolstered Iran’s desire and efforts to acquire these means so as to deter future punishment—a true security paradox. A strategy of sticks and carrots is just not that attractive to a regime that is already largely isolated and one that has used the “Great Satan” as a pillar of political legitimacy for three decades. With that in mind, this thesis advocates a more sophisticated appreciation of the Islamic Republic’s worldview and interests in order to aid US policy makers in devising strategies that are more likely to serve American security interests.

Analysis

This study looked at the rhetoric and foreign economic policies of the last three Iranian presidents, from 1989 to the present, to determine if Iranian rhetoric has been congruent with Ayatollah Khomeini’s revolutionary ideology, and whether that ideology is driving the Islamic Republic’s foreign economic policies. Khomeini emphasized two overarching ideological themes: “export of the revolution” and “neither West nor East.” According to the concept of “export the revolution,” Iran, as the only true Islamic state, had the responsibility to spread justice throughout the world and thus pave the way for the Mahdi and an Islamic world order. Whether this should be accomplished with force or by example remained nebulous, but the obligation to encourage the spread of Islamic governance was explicit. The doctrine of “neither West nor East” stipulated the need to
safeguard Iranian independence from the oppressive superpowers, their lackeys, and anyone else opposed to the Islamic Republic. In actuality, it appears to have leaned heavily on an Islamic version of secular “non-alignment” made popular during Khomeini’s formative years by India’s Nehru. Something often referred to from a foreign policy standpoint as “positive neutrality.” Khomeini completely rejected the international system the United States and the Soviet Union dominated and instead advanced a distinct, Islamic way that predicated state relations on ideological compatibility, not material interests.

Over the last twenty-two years Iran’s presidents have often referred to Khomeini’s ideological concepts in their rhetoric, but did they adhere to Khomeini’s original intent? Were their foreign policies influenced just by these ideas? The answer is no. As the case studies in this thesis illustrate, each president had his own distinct rhetorical style and interpretation of Khomeini’s ideology, a requirement for political survival. Yet, across the various administrations, Iran’s foreign economic policies were absolutely consistent. In other words, the political and ideological rhetoric changed from president to president, but the behavior did not. All three pursued pragmatic, interest-driven policies designed to bolster Iran’s economic and security interests. They did this not by discarding Khomeini’s ideology, but by tailoring it to suit their purposes. Iranian rhetoric maintained its ideological vocabulary, but modified and in some cases severely circumscribed its revolutionary intent. In fact, there is a good argument that the single largest expansion of Iranian power and influence in the last thirty years came not as a result of Iran’s ideologically driven, aggressive diplomatic and military policies but rather as a result of Washington’s gift to Iran—namely Iraq.

**Style**

While perceptions abound that little has changed in the Islamic Republic since the revolution, Iranian presidential rhetoric has varied significantly across administrations and shifts in factional power. President Rafsanjani was a moderate conservative focused on rebuilding Iran after the inexperienced, misguided economic policies of the revolution and the vast destruction of the Iran-Iraq war. His rhetoric typically supported this

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pragmatic, material-driven agenda. He went so far as to advise Iranians, “We have no need to speak fanatically...We do not need to say things which are not acted upon, needlessly frightening people and blocking our own path.” However, as the first president to serve in the post-Khomeini era, he seamlessly shifted to aggressive ideological rhetoric when it suited his internal political purposes. When Rafsanjani needed to garner domestic support from hardline factions, as in the run-up to his first presidential election, he talked about killing Westerners. He also reverted to ideological rhetoric in response to international censure, like his remarks after the US Congress passed the ILSA sanctions in 1996: “…that which is motivated by divine inspiration cannot be driven out of the arena by means of coercion.” Overall, his rhetoric tended to be very pragmatic but occasionally became provocative when it advanced his domestic goals or his Iranian nationalist credentials required it.

President Khatami was a reformer who tried to reconcile the Islamic government with the ideals of liberal democracy, as well as reintegrate Iran into the international community through his ‘dialogue among civilizations.’ His rhetoric was much more cerebral and idealistic than Rafsanjani’s. In promoting his dialogue, for example, Khatami mused, “Dialogue based on logic and thought is the basis of the fundamental principle of peaceful coexistence and a foundation for mutual trust.” Furthermore, he couched his reforms and engagements in cultural terms versus the primarily economic focus of his predecessor. However, his rhetoric occasionally reflected the stark reality of practical national interests. For instance, when he spoke about improving Iran’s relations with Russia, he acknowledged, ”Tehran’s relations with Moscow are based on the principle of mutually benefiting from each others resources…” Khatami’s rhetoric was rarely inflammatory or challenging, even when provoked. His comments after President Bush included Iran in the ‘axis of evil’ were some of his most confrontational, yet were extremely measured and controlled. This measured approach is even more pronounced.

7 “President Urges ‘Prudent Policy’ above All.”
9 “Iran: Rafsanjani Stresses Eternal Nature of Revolution.”
10 “President Khatami's Closing Address to OIC Summit.”
11 “Iran: President Khatami Stresses Promotion of Ties with Dushanbe, Cooperation with Russia.”
when compared to the comments of Ayatollah Khamenei and other Iranian officials at the time. He merely counseled, “It is time for the unseasoned American statespersons to revise their policies before it is too late...”¹² Unlike Rafsanjani, Khatami’s rhetoric did not tend to shift in response to factional competitions. With his overwhelming popular base, he was largely protected from overt political attacks and tended to stay above the factional fray in his speeches. He did not pander to conservative voters, nor was he willing to confront conservative elites to try and revive his failed domestic agenda—even though this earned him a reputation as a political coward by the end of his presidency. More consistent than that of Rafsanjani, Khatami’s rhetoric eschewed confrontational bombast.

As a radical populist who exploited social tensions and economic divides in Iran to become president, Ahmadinejad is by definition a hardline, neoconservative. He is an engineer who, as is often the case, was trained and not educated. One senior Arab diplomat put it, “he is a simple, ignorant man...”¹³ As an opportunistic neoconservative who was disillusioned with Iran’s elites and clerical establishment, he claimed to want to restore the ideals of the revolution. As such, his rhetoric reverted back to the early days of the regime under Ayatollah Khomeini. It has been brash, confrontational, unapologetic, and often grossly ill informed, a brand of political posturing not limited to Iran. Much of his popular appeal has been due to his simple, direct speech and manner—that of a common working man—versus the corrupt, rich image of Rafsanjani or the elitist, intellectual persona of Khatami. His rhetoric reflected whatever would rally his domestic popular base whether that was his campaign slogan of ‘putting the oil money on the dinner table’ or challenging Israel’s right to exist. It also garnered him limited international support at the cost of alienating much of the rest of the world.

While Rafsanjani’s rhetoric tended to focus on the overarching theme of reconstruction, and Khatami’s around his dialogue among civilizations, Ahmadinejad’s rhetoric can best be described as revolutionary for its own sake. Assertions that US policies were “based on warmongering, invasion, bullying, trickery, the humiliation of

¹² “Iran: Khatam Urges US to Revise Foreign Policy Stances.”
other countries”\textsuperscript{14} and that Russia was “under the influence of the devil”\textsuperscript{15} served little purpose other than to rouse his domestic audience. Factional competition further intensified Ahmadinejad’s rhetoric. When he came to office, the conservatives dominated the entire government, but instead of reducing infighting, the various strands under the conservative umbrella began to vie for power. Thus, his extreme rhetoric served to highlight his revolutionary zeal in comparison to the older, traditional clerics that were part of the establishment. It served to broaden his base of support and has ultimately led to the current struggle for power between himself, Khamenei, and senior officers in the Revolutionary Guards. Although markedly different from either of his predecessors, Ahmadinejad’s rhetoric has remained remarkably consistent. It is the rhetoric of a street corner revolutionary well received by his poor and working class supporters but largely condemned by the Iranian elites and the global community.

\textbf{Substance}

Ahmadinejad’s antics while a source of entertainment to more informed observers and a propaganda gold mine for his western lookalikes and Israel, have fueled US fears of Iran that date from the revolution. Common American perceptions of Iran as an ideologically driven, belligerent state remain largely consistent despite the diverse styles of each president’s rhetoric. According to Gallup, Americans have repeatedly ranked Iran as one of the United States’ top three enemies for the last ten years.\textsuperscript{16} Furthermore, four out of five Americans have had an unfavorable opinion of Iran since at least 1989.\textsuperscript{17} This suggests that there has been little differentiation between substance and rhetoric—little ability to separate Iran’s internal political requirements from its actual external

\textsuperscript{14} "Translation of Ahmadinejad's Letter."
\textsuperscript{15} "Iran: Ahmadinezhad Threatens to Sue Russia over S-300 Contract."
\textsuperscript{16} Jeffrey M. Jones, "Americans Continue to Rate Iran as Greatest U.S. Enemy," (18 February 2011), http://www.gallup.com/poll/146165/americans-continue-rate-iran-greatest-enemy.aspx (accessed 14 May 2011). Interestingly, younger Americans are much less likely than older Americans to feel this way, suggesting there is validity to idea that the historical memory of the hostage crisis continues to influence perceptions. According to this Feb 2011 Gallup poll, 25% of Americans believe Iran is the US’ #1 enemy. Broken out by age: 14\% of 18-29 yrs; 18\% of 30-49 yrs; 31\% of 50-64 yrs; 36\% of 65+ yrs.
policies. The inflammatory rhetoric on both sides has tended to blind the American media and public and even large segments of the US government to the very real differences between the rhetoric of Iranian presidents and the substantive policies of each. The perception is that the Islamic Republic has preserved and upheld Khomeini’s unadulterated ideology and it policies reflect his views. The evidence, however, suggests something quite different. While each president employed ideological language in his rhetoric and redefined Khomeini’s ideology to serve their own purposes, they generally pursued a conservative, risk adverse foreign policy based on Iran’s national interests. In short, the checks and balances within the Iranian regime have produced anything but a wild-eyed radical foreign policy.

Assuming office immediately following Ayatollah Khomeini’s death meant Rafsanjani was the first president to surreptitiously redefine revolutionary ideology. He claimed hardline interpretations of these concepts were not accurate readings of Khomeini’s doctrines and that he was, in fact, following the true intent. When discussing the principle of “export the revolution,” for instance he said, “Our aim was never to export the revolution by force or by interfering in the affairs of others.”

Ignoring the requirement to spread justice throughout the world, he limited the ideology to serving as a shining example to others. The doctrine of “neither West nor East” was particularly problematic for Rafsanjani’s economic agenda, which required the infusion of foreign capital and expertise. Thus, he adjusted the interpretation to mean, “We will not accept control over our lives. Under no circumstances will we allow our revolution and our country to be affected by the wishes of the East or the West…This does not mean we want to darken our relations with countries that want healthy relations with us.”

When challenged that he had deviated from Khomeini’s ideology he claimed that Iran had not deviated “one centimeter from the Imam’s path.” The evidence proves otherwise.

Khatami rarely used Khomeini’s exact ideological vocabulary, but he retained and modified the concepts into a message more agreeable to western ears. Much like Rafsanjani, he redefined the doctrines of “exporting the revolution” and “neither West

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18 “Hashemi-Rafsanjani on State of Revolution.”
19 “Hashemi-Rafsanjani Interviewed.”
20 “Rafsanjani Friday Sermon Evaluates Election.”
nor East,” to mean serving as a shining example of an Islamic state and safeguarding Iran’s independence. Yet he went further than Rafsanjani, who had been narrowly focused on justifying behavior necessary for his pragmatic economic agenda. Khatami, on the other hand, encompassed both of these concepts in his idealistic ‘dialogue among civilizations,’ suggesting a more activist and comprehensive interpretation. The dialogue was to facilitate détente with any country willing to engage with Iran as long as the state in question refrained from the intrusive policies proscribed by the doctrine of “neither West nor East.” Furthermore, both the international scope and the cultural focus of the dialogue served to showcase the Islamic Republic to the world—a brilliant move to “export the revolution” by example. While Khatami’s rhetoric paid lip service to Khomeini’s ideological doctrines, he redefined the concepts and abandoned the revolutionary terminology.

Like his predecessors, Ahmadinejad has followed the obligatory political requirement and frequently proclaimed his love and admiration for Khomeini. He has employed ideological language to reinforce perceptions of his own commitment and loyalty to the Islamic Republic and advance his revolutionary persona. Yet reviving Khomeini’s vocabulary does not constitute reinstating Khomeini’s ideological intent. Despite rallying cries like “the wave of the Islamist revolution will soon reach the entire world,” he—like his predecessors—redefined the Islamic Republic’s doctrine to suit himself. Because he has been so strident in professing his faithfulness to the revolution, he has been able to challenge the meaning of Khomeini’s ideology more overtly than either of his predecessors even to the point of challenging the Supreme Leader Khamenei himself. This is particularly true for the doctrine of “neither West nor East,” which Ahmadinejad said was obsolete: “…the game of poles in the world has been destroyed. Nations have realized that there is another way of life.” He claimed that Iran was now strong enough to have relations with any country, and in fact, as a regional power it should have relations with other power brokers. In essence, he redefined the doctrine to mean Iran simply had to play by its own rules. Concerning “export of the revolution,” Ahmadinejad maintained Rafsanjani and Khatami’s modifications that the Islamic

21 AFP, "Iran's Ahmadinejad Hopes to Spread 'New Islamic Revolution'."
22 "Iranian President Criticizes West for Interfering in Presidential Polls."
Republic should serve as an example to others. Where he differed, however, was his showcasing of Iran’s revolutionary credentials in addition to the Islamic focus of his predecessors and Khomeini himself. He also took more of an activist role in rhetorically attacking other nations that, in his view, threatened Iranian interests or development. His inflammatory speeches about Palestine, in which he asks the Arab governments, “Arabs where are you?” are a prime example. Frequently invoking Khomeini’s ideological vocabulary, he has promoted himself as a faithful disciple, while reinterpreting Khomeini’s principles to serve his own agenda.

In sum, none of Iran’s presidents have upheld and promoted Khomeini’s original ideology. In large part the ideology has only been rhetorically preserved—like quoting George Washington. The meaning behind the ideology has varied from president to president. Thus, western perceptions that the Islamic Republic is operating off the same radical ideology today as it did in 1979 are mistaken.

**Congruence Between Ideology & Foreign Policies**

The primary concern of this thesis is to evaluate Iran’s external behavior in light of its rhetoric. Has it been congruent—the short answer is no. Iran’s ideological rhetoric has consistently paid homage to Khomeini, but has been reinterpreted to reflect the personalities and policies of the respective president. In addition, pragmatic national interests, not ideological purity or rhetoric, have largely driven Iran’s foreign and economic policies.

The Islamic Republic has pursued economic relations with both the East and the West, to include Russia, China, Western Europe and even the United States. In the East, all three Iranian presidents have consistently turned a blind eye to their trade partners’ repressive and violent policies towards Muslims in order to preserve and strengthen their economic ties. This includes Russian atrocities in Chechnya and Azerbaijan as well as China’s long campaign to suppress the Uighurs. Furthermore, not only has Iran passed up the opportunity to “export the revolution” to the newly independent Muslim states in Central Asia, but it actively supported non-Muslim entities in Armenia and Tajikistan against its coreligionists in exchange for lucrative economic opportunities, infrastructure development projects and security assistance programs. Finally, even after Russia and

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23 “Iran: Ahmadinezhad -- World Not to Allow Zionists to Kill People for 30, 40 Days.”
China began to support the UNSC sanctions against Iran, Tehran continued to expand ties with them. Russian-Iranian relations only began to deteriorate after Moscow repeatedly postponed the completion of the Bushehr nuclear reactor and reneged on the S-300 air defense missile contract. Yet, even faced with these disagreements Iran has only made symbolic gestures of displeasure—it has not moved to cut ties with Russia.

In the West, both Rafsanjani and Khatami risked public backlash by dismissing the importance of Khomeini’s religious fatwa against Salman Rushdie in pursuit of economic openings with Europe. They both eagerly participated in the EU’s critical and comprehensive dialogues in the hope of obtaining lucrative Trade Cooperation Agreements, despite the requirement to discuss contentious issues like Iran’s human rights record and support for terrorism. Thus, they both clearly prioritized Iran’s material interests over any ideological concerns. Despite staunch criticism at home, Khatami even prioritized economic incentives over national prestige and possible security interests related to Iran’s nuclear program when he agreed to suspend the uranium enrichment program. Ahmadinejad made a different choice when he came to power; he opted to renounce the Paris Agreement and resume Iran’s nuclear program. This decision, coupled with his inflammatory remarks about Israel and the Holocaust, led to a serious setback in EU-Iranian relations. As a result, the Europeans finally supported US-sponsored multilateral sanctions, which curtailed their expanding trade with Iran. Ahmadinejad’s foolish statecraft contributed significantly to this major deterioration in relations, but it was not ideological considerations that led him to sabotage economic ties with the EU. Rather, his resumption of uranium enrichment activities and pursuit of popularity in the Gulf were linked to the very realist motivations of security and power.

Perhaps the best indicator that the Islamic Republic’s policies are based on pragmatic national interests, not ideology-driven is their guarded willingness and repeated attempts to engage the United States—the Great Satan itself. Rafsanjani attempted to broker substantial contracts with Boeing and Conoco during his presidency. Khatami personally invited Americans to join him in a ‘dialogue among civilizations,’ and provided valuable assistance to the United States in Afghanistan. Ahmadinejad has sent several official letters to American presidents in his inappropriate, but most likely sincere, attempts to engage. When possible, he has also openly conducted trade with
American businesses, such as the half billion dollar wheat purchase in 2008. While no real progress has been made in improving US-Iranian relations due to resistance and suspicion on both sides, the fact that the Islamic Republic has repeatedly been willing to move towards the thin red line of the revolution is further evidence that ideology is not their primary motivator.

Lastly, Iran’s response to the “Arab Spring” uprisings is very telling. Despite years of contentious relations with the Gulf monarchs and the doctrine of “exporting the revolution,” the Islamic Republic has remained silent while many of the Arab uprisings—particularly the Shi’a in Bahrain—have been violently suppressed. That Tehran values its profitable economic relations and stability of the status quo in the Gulf over ideological catch phrases should no longer be a surprise. The Islamic Republic has proven to be a very pragmatic state.

This thesis has demonstrated that the common perception of the Islamic Republic as an irrational, ideological regime is flawed. Ideological rhetoric has not been an accurate indicator of the state’s behavior in the realm of its foreign economic relations and related policies. Rather, the Islamic Republic has consistently pursued material interests at the expense of ideological obligations. The logical extrapolation is that the Islamic Republic is, or can be, equally pragmatic in its pursuit of other vital national interests, all of which tend to be interwoven. Thus, US policies toward Iran, which have been a reaction to perceived values more so than observed behavior, have been misguided and ineffective.

It’s All About Interests

Three decades of tough talk, sanctions and containment have not changed the Iranian regime’s behavior or improved the United States’ overall security vis-à-vis Iran. The Islamic Republic has continued to pursue its own national interests despite outside pressure to do otherwise. The first step towards crafting a more effective American policy towards Iran is recognizing just what those interests are. This thesis facilitated that process by alerting policy makers to the distorted image of the Islamic Republic that frequently clouds analysis. This in no way suggests that the United States should not be worried about Iran. Iran has clearly chosen to pursue its interests in ways that are odds with the United States, the region and the international community. However, an
objective analysis of Iran’s vital interests, rather than a frightening caricature of “mad mullahs,” will open up options for new and potentially more effective strategies to achieve US objectives.

A thorough examination of Iranian state interests is beyond the scope of this thesis; however, one prominent example will highlight the types of interrelated issues at play. Iran’s suspect nuclear program is a major international concern. In all likelihood, Tehran is trying to produce nuclear weapons, or at least develop the capability to do so. One need only look at Iran’s geostrategic situation to see that from their perspective this a rational, even prudent, goal.

From a security standpoint, Iran lives in a tough neighborhood. At its weakest moment, Iraq invaded the country and was cheered on by most of the region and much of the world. During the eight-year war that followed, Iran’s cities were subject to missile strikes and its soldiers were victims of weapons of mass destruction. On its eastern border, the Islamic Republic had to contend with a truly ideological Afghan government that adhered to a radical combination of Wahhabism and Deobandism, a vehemently anti-Shi’a regime. Few in the West recall that the Taliban kidnapped and killed eight Iranian diplomats and one journalist in 1997, leading Iran to mass 200,000 troops on its border as it contemplated going to war.24

While the threats posed by Iraq and Afghanistan have been removed, from Iran’s perspective they were replaced by a far more dangerous peril—the United States. President Bush’s “axis of evil” rhetoric, two cases of regime change and thousands of American troops stationed on Iran’s borders, and numerous US policy discussions centered on keeping the military option on the table have contributed to the Iranian perception that the United States is an existential threat. Furthermore, Israel’s alarming talk of launching preemptive strikes on Iran, coupled with their history of doing so in Iraq and Syria, contributes to the Islamic Republic’s sense of insecurity and its desire to acquire a strategic deterrent. Then there is the distinct possibility that Pakistan and its nuclear arsenal could fall under the control of a radical Sunni regime.

Finally, the West lost much of its credibility to entice ‘rogue’ states like Iran to abandon their aspirations for WMD with the launch of NATO’s Operation ODYSSEY DAWN in Libya. Qaddafi willingly gave up his nuclear program in 2003, based on promises of reintegration into the international community. At the time, British Prime Minister Tony Blair commended the move, saying, "This decision by Colonel Gadhafi is an historic one and a courageous one, and I applaud it. It will make the region and the world more secure." It certainly did not make Qaddafi more secure. If he had retained his nuclear program, the likelihood that NATO would be providing military support to unknown Libyan rebels, and insisting Qaddafi must go, would be greatly reduced. This lesson is surely not lost on the Islamic Republic.

In addition to Iran’s security interests, there is also the matter of power and prestige. In terms of geography, demography and natural resources, Iran is the natural hegemon in the Gulf. With the power vacuum created by removing Saddam Hussein, the Islamic Republic’s relative power in the region has risen dramatically. One way for Iran to permanently preserve and even increase its prestige is to acquire a nuclear weapons capability. The history of the nuclear age supports this ambition. One need only look at the respect members of the nuclear club are afforded. Even a highly dysfunctional nuclear power like Pakistan has not been subject to bellicose threats or sanctions, even after it most likely harbored Osama bin Laden for decades, but are instead given billions of dollars of aid. Iran has long felt it deserved to have a seat at the table when regional issues were at stake, such as the Arab-Israeli peace process or Gulf security. It would be much harder to disregard Iran if it was a nuclear power, and the Islamic Republic knows this.

Just because it may be in Iran’s interest to pursue a nuclear weapons capability does not mean the United States and the rest of the international community should stand back and let it do so. The purpose of this exercise was merely to demonstrate that Iran’s suspected nuclear ambitions are more likely due to its pragmatic security and power interests, not to some ideological, millenarian desires. This exercise has also helped

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evaluate the security threat the Islamic Republic actually poses. With fear, honor and interests as its primary motivators, the idea that Iran would risk massive retaliation and international condemnation by giving a nuclear weapon to terrorists, or risk suicide by launching a nuclear attack on Israel, is not very convincing. Finally, analyzing Iran’s underlying motivations, instead of presuming irrational fanaticism, actually reveals new strategic options that might succeed where current strategies have failed.

**Changing Iran’s Behavior**

The United States has relied primarily upon a strategy of containment and punishment to coerce the Iranian regime—essentially a “stick” approach. President Carter ordered the first formal economic sanctions against Iran during the hostage crises in 1980, and the United States has maintained some form of sanctions ever since. Aside from the brief and largely symbolic easing (but not lifting) of trade sanctions during Khatami’s presidency, the United States has progressively worked to increase Iran’s economic isolation over the last three decades. The Clinton administration enacted ILSA, which the Bush administration renewed and strengthened in 2001 and 2006. (ILSA was subsequently renamed the Iran Sanctions Act (ISA) to reflect Libya’s decision to give up its rogue ways.) President Bush also succeeded in convincing the international community to enact multilateral sanctions against Iran through the UNSC, which President Obama has continued to push for and expand.

Iran has responded to these sanctions by becoming more self-reliant, geographically diversifying its imports and exports (turning towards the East) and funneling restricted trade through third parties (primarily the UAE). At best the sanctions have slowed down the pace of foreign investment in Iran’s energy sector and its nuclear program rather than bringing either to a halt. As long as record oil prices continue—and they undoubtedly will—sanctions will be an annoyance and require adjustments, but are unlikely to significantly change Iranian behavior.

Aside from sanctions, the United States has generally held that it would not seriously engage Iran until after Tehran discontinued its undesirable behavior. It established preconditions in areas like Iran’s nuclear program, human rights abuses and

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support for terrorism that had to be met before talks could begin. In effect, the United States has dangled diplomatic relations as a “carrot” in its own right versus as an instrument to help achieve its desired ends. The Clinton and Obama administrations did make a few attempts to reach out to the Islamic Republic, which the Iranian regime rebuffed, and so quickly returned to the familiar pattern of sanctions and bellicose rhetoric. Iran has certainly played a role in the dysfunctional relationship between the two states, but hoping for some sort of “grand bargain” to quickly emerge and blaming the Islamic Republic when it does not, has not moved the United States any closer to achieving its national security objectives. A new strategy is needed.

A Way Ahead

Prior to 2005 and Ahmadinejad’s renunciation of the Paris Agreement, the Europeans followed a different approach. They engaged in their critical and comprehensive dialogues with Iran to discuss and work on worrisome behavior while simultaneously allowing economic and diplomatic relations—or “carrots”—to develop. They worked from the theory that the more ties they had with Iran, the more influence they could exert. In other words, they actively sought to develop leverage within the Islamic Republic that could then be used to encourage change, rather than demand change before any real leverage existed. Some analysts point to positive changes in Iran’s behavior that took place after the EU’s critical dialogue began and before the United States’ dual containment policy and ILSA were implemented, like the fact that by early 1993 Iran had put an end to political assassinations abroad.\(^{27}\) The Europeans recognized the dialogues did not usher in dramatic improvements, but they did lead to a gradual shift in Iranian behavior. From the Islamic Republic’s perspective, the dialogue was a great improvement over “imperialists” trying to impose their will on Iran.\(^{28}\) Overall, the Europeans argued that “carrots” were a more effective policy tool for dealing with Iran, particularly since the US “stick” was applied unilaterally and inconsistently during this era. Since then, the stick has gotten bigger and taken on a multilateral dimension, but the stalemate continues.

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If the United States wants to influence and change Iranian behavior then it needs leverage. Punishment, in the form of sanctions and threats, is having an effect but has not worked. As the Islamic Republic moves closer to achieving a nuclear capability, it is time for the United States to adopt a new strategy. Mohsen Milani proposed a new approach in his 2009 Foreign Affairs essay that might give the United States an advantage in dealing with Iran. He suggested a strategy of full engagement, in which the United States gradually increases economic, educational, and cultural exchanges between the two countries as it simultaneously establishes institutional mechanisms to manage their differences. In other words, he advocated an approach similar to the EU’s critical and comprehensive dialogues.

Full engagement moves beyond “talking” to actually increasing daily interactions that Iranians would value, particularly in the economic arena. In short, the United States must give Iran something it wants up front so as to gain the leverage needed to satisfy its own long-term interests. In order for a full engagement strategy to be effective, the United States must drop its preconditions and sanctions so that pragmatic, material-based relations can develop and ideally thrive. As this thesis has demonstrated, the Islamic Republic would welcome an economic opening with the United States and would likely present it as a major victory for Iran. The United States should let them. In fact, the United States should actively seek to allay the Islamic Republic’s fears about regime change and recognize Tehran’s role as a major regional power. Reducing Iran’s security fears and acknowledging the prestige that de facto already exists would go far to decrease Iran’s incentives to pursue nuclear weapons. Once the United States has established a pattern of pragmatic interaction, Iran will likely be incentivized to preserve and expand these material engagements, opening the door to compromises over contentious issues.

This is not a short-term strategy that can be expected to produce perfect, instantaneous results. After thirty-two years, the United States must recognize that there is no quick solution. Rather, a full engagement strategy is a risky, long-term investment that will undoubtedly witness as many setbacks as there are successes—particularly early on. The potential long-term gains, however, are far greater than the United States’

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29 Mohsen M. Milani, "Tehran’s Take: Understanding Iran’s U.S. Policy," *Foreign Affairs* (July/August 2009).
current punishment strategy has produced. The risk of getting sidelined by the radical, ideological rhetoric that will surely emanate from inside the Islamic Republic is very real, but as this thesis has shown, the rhetoric is just rhetoric. The Islamic Republic has repeatedly demonstrated it is a rational, pragmatic state in pursuit of its own real interests. The trick is in moving Iran’s and the United States’ interests closer together. To do this, the United States must pay more attention to Iran’s behavior and stop being distracted by its inflammatory, but empty rhetoric.
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