



Historical, Empirical and Domestic Pieces of evidence of Iran's Foreign Policy

Abstract: This article discusses the empirical and domestic factors in the formulation of the foreign policy of Iran. It is essential to understand the history, state-craft and power complex of Iran. In Iran, Faqih is the supreme leader and he has full command of the armed forces and general policies of the state. The foreign policy complex of Iran consists of individuals, agencies and different departments that directly influence the foreign policy of Iran. The foreign policy complex and Statecraft of Iran's political system play a significant role and influence the foreign policy behaviour of Iran. Since the Islamic revolution, Iran is facing threats from regional and global powers. Post Saddam, Iran is mainly focusing on Saudi Arabia, Israeli and America to contain their influence. Since last many decades, Iran is facing serious criticism and sanctions because of its nuclear program. Despite USA sanctions, Iran is moving from the regional to the global arena and also improving its relations with Russia, and China.

Key Words: Middle East, Foreign Policy, Balance of Power, Glorious Past, Sanctions

The Statecraft and Foreign Policy Complex of Iran

The Middle Eastern region is important due to multiple factors and it is the birthplace of three important religions Judaism, Christianity and Islam. Furthermore, huge oil reserves, trade, culture and conflicts have enhanced the significance of this region. Bahrain, Iran, Iraq, Yemen, UAE, Syria, Egypt, Kuwait, Jordan, Lebanon, Israel, Qatar, Oman, and the territory of Palestine and Saudi Arabia are located in the Middle East. About Iran's statecraft Lubna Arshad (2004, P.59) writes, "The clerical establishment ranges from 90,000 to 200,000, has provided the State with one Prime

Minister, four Presidents, four *majlis* speakers, four *Faqih*s and a host of other functionaries and officials. The country's Ayatollahs (around 200 in number) are represented in the most critical institutions and organizations of the republic." In Iran, the President, *Faqih*, the Head of the judiciary, the speaker of *majlis* and the Supreme Court's chairman, all are clerics. The structure of *Shiia* clergy in Iran has its roots in the Safavid dynasty. During the era of the Safavids, the *Shiia* religion was adopted at the State level. The role of different agencies is significant to understand the power structure in the political system of Iran.

* Assistant Professor at Department of Political Science, Rawalpindi Women University, Rawalpindi, Punjab, Pakistan. Email: fbpol@f.rwu.edu.pk (Corresponding Autho)

† Professor, Department of International Relations, National Defence University, Islamabad, Pakistan.

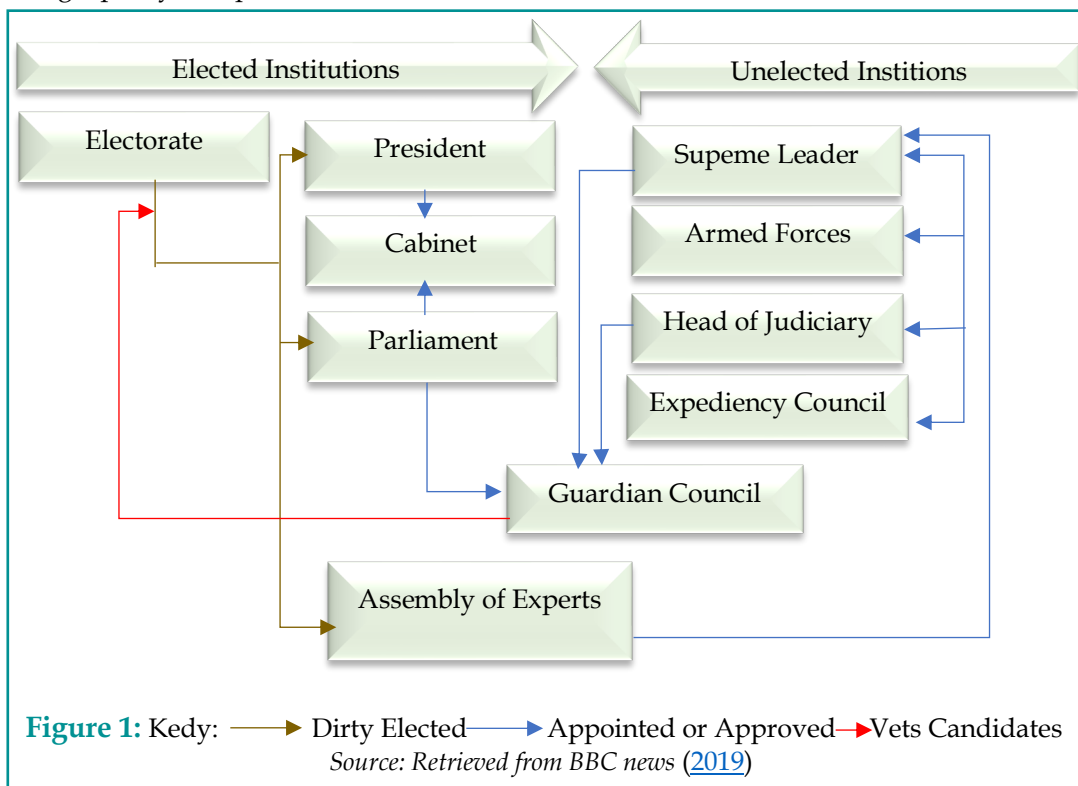
According to Lubna Ali(2008, p.57), “In Khomeini’s perception, a State ruled by an Islamic jurist-consult (*Faqih*) was essential to create a just society.” The *Faqih* is the spiritual leader and supreme commander of the armed forces. He also oversees the decisions and policies of the State. The general policies of Iran are determined by *Faqih*, with the consultation of the expediency council. The *Faqih* also has the authority to declare war and peace. The *Faqih* has the power to appoint and dismiss the members of the council of Guardians, the Chief of Staff of armed forces, directors of the radio and television networks and the commander-in-chief of The Islamic Revolutionary Guard Corps (IRGC). The foreign policy complex of Iran consists of

individuals, agencies and different departments that directly influence the foreign policy of Iran.

Foreign Policy Complex of Islamic Iran

- Council of Guardians
- Supreme Judicial Council
- Assembly of Experts
- President
- Majlis
- Supreme National Security Council
- Joint Chief of Staff
- Interior Ministry
- Intelligence Ministry

Iran’s Complex Political Structure



The Assembly of Experts has the authority to appoint, dismiss and monitor the supreme leader. It consists of 86 members of Islamic jurists and they are elected for eight years through a popular vote (Farideh Farhi,

2014). The parliament of Iran (Majlis-e-Shura-ye-Eslam) has 290 seats. The President of Iran got elected after every four years, currently, Hassan Rouhani is the President of Iran since August 2013. He was re-elected

as President in the elections of 2017(Al-Jazeera,[2017](#)). The *BASIJ Resistance Force* is the volunteer force of Iran. Initially, *BASIJ* was created by supreme leader Ayatollah Khomeini during the Iran-Iraq war (Ali Alfoneh, [2010](#)). *BASIJ* also help Islamic State to manage the situation during crisis and protests(Sparsha Saha, [2014](#)). Judiciary in Iran is an independent institute and Ebrahim Raisi is the head of the judiciary since March 07, 2019, and Gholam-Hossein-Mohseni-Eje'i is the Deputy chief justice of Iran (*The Iran Primer*,[2019](#)).

According to the constitution of Iran, the *Faqih* or *vali-ye-faqih* has to serve as the supreme leader (Hamid, Algar,[2015](#)). To date (2022), Iran has only two supreme leaders; 1979 to 1980 Ruhollah Khomeini and Ali Khamenei are supreme leaders since 1980. The members of the Guardian council are appointed by the supreme leader for six years and after three years, the half members of the Guardian council got changed. The council of Guardians consists of twelve members and it plays the role of the upper house of the legislature of Iran (Lubna Arshad, [2004](#)). The council of Guardians has the power to supervise the elections and to inspect legislation. The expediency council is the advisory body and its members are appointed by the supreme leader. The foreign policy complex and Statecraft of Iran's political system play a significant role and influence the foreign policy behaviour of Iran.

Due to the complexity of the Middle Eastern region recourse has been made to explain through the Adaptive model by James.N. Rosenau. It helps to explain the reasons behind that particular trajectory of foreign policy behaviour of Iran. Neo-classical realism explains the existing patterns of state behaviour and foreign policy but it ignores the contributing factors that are affecting the foreign policy behaviour of a state. Therefore, this study also relies on the Adaptive model by

Rosenau because it highlights the contributing factors that are affecting, shaping and reshaping the foreign policies of a state. The foreign policy behaviour of Iran can be analyzed at three levels; firstly, the nuclear ambitions of Iran play a significant role in its domestic and foreign policies. The role of Iranian domestic factors such as glorious historical past, religious ideology, nationalism and the role of leadership are some key domestic factors that are shaping and reshaping Iranian foreign policy since the Islamic revolution.

According to Arshin (2017), the Safavids ruled Iran (from 1501-1722) and also ruled for a brief period (from 1729-36). Safavids have established the modern contours of Iranian society. Their Empire was expanded from Ardabil to other parts of contemporary Iran and beyond. The establishment of '*Shiia paraphernalia*' by the Safavid was the key tool of their rule. This '*Shiia paraphernalia*' is still a central pillar of the Islamic Republic of Iran since the Islamic revolution (Arshin,2017). Secondly, Iranian strategies to balance vis-à-vis Saudi Arabia are also major factors that are affecting its foreign policy at the regional level. Iranian foreign policies mainly revolve around balancing and counterbalancing strategies towards Saudi Arabia and Israel. The domestic and regional environments of Iran also influence its foreign relations with global power, especially with USA and Russia. Thirdly, Iranian foreign policy is also shaped by its desire for regional leadership and Iranian magnificent past and *Shiia* ideology are two key motivations to gain that status again. Iran's relations with Saudi Arabia, Israel, USA and Russia are the direct outcome of Iranian ambitions for a resurgence.

Glorious Past of Iran

The ancient Persian Empire was established more than two thousand years ago by Cyrus the Great (558-530 BC). Cyrus was a kind-hearted leader and he allowed his public to

practice their own religion and also granted them permission to speak their own language. Under the rule of Cyrus, the Persian Empire became the first superpower of the world. It was a hub of science, art, technology, culture and religion for more than two hundred years. Persians built many roads and also established the first postal service in the world. They also developed regular routes of communication between Europe, Asia and Africa. Persian Empire was well-known for its art, rich culture and also for their metalwork. However, the great Persian Empire finally declined with the invasion of Alexander the great. "Powerful intruders Seljuk Turks and Mongols had dominated Persia for almost four centuries. However, in the 16th century, Persia gained a new dynasty from the heartland of the classical Persian Empire."

Sassanian Empire ruled Persia till the mid of 7th century. After that, the Safavids Empire was established (1501-1722). Shah Ismail was the founder of the Safavid dynasty. He was born in the Safaviya Sufi Kurd family in 1487. Halima Begum, his mother had a pontic Greek ancestor. The Safavids extended their rule from Ardabil to contemporary Iran. Shah Ismail was inspired by Ferdowsi's '*Shahnamah*' and he also named his sons after the characters of his book. The foundation of the contemporary Iranian nation-state was established by Shah Ismail even before the Westphalia Treaty (1648), which is considered to be the starting point of the modern state system in Europe. Moreover, Safavid poets also reinvented the '*Shahnamah*' to narrate the monarchic rules of Safavids as 'heroic rule.'

Besides Persian identity, the Safavids used different tools to expand their Empire. When Shah Ismail assumed power, most of the population of contemporary Iran was *Sunni* and were the followers of *the Shafi* and *Hanafi* school of thought. Shah Ismail used different identities to make his rule different

from other Empires. Therefore, he established different identities not only in politics but also on religious bases. After highlighting the national identity of the Persian Empire, he established a religious identity based on *Shiism*. One reason was that the claims of earthly sovereignty were challengeable, especially by Ottoman Empire and also from the Uzbek dynasties of Central Asia. One of the key factors in the rivalry of Ottoman-Safavid was the notion of the depiction of 'other', and politics was based on identities to highlight differences from others. Moreover, the religious legitimacy of Ottomans was mainly based on *Sunni* traditions, while a merciless campaign was pursued by Shah Ismail for the forceful conversion of Iranian *Sunnis* to *Shiia*. Shah Ismail was one who had institutionalized his authoritative regime on the basis of *Shiia* ideology. The first generation of Safavid rulers (especially Ismail-i & ii, Tahmasp) mainly focused on the extension of their Shrines in Karbala, Najaf, Mashad and Kazimiyya etc). While, Ottomans paid attention to the construction of magnificent Mosques, especially in Istanbul (just like the Mughals also focused on the construction of Mosques in India).

During the era of Shah Ismail-ii (1537-1577), these ideological principles were relaxed but during the rule of Shah Abbas (1571-1629), once again these ideological tenets become a prominent pillar of Safavid policy. *Shiia Ulema* also played a significant role in the projection of the psycho-nationalism of the Safavid dynasty. *Shiia Ulema* also played a significant role in the development of psycho-nationalism of the Safavid dynasty. These religious *Shiia* clerics were coming on scholarship from Bahrain, Syria, Lebanon and South Iraq. The state was providing an encouraging environment for these clerics to engineer a new kind of *Shiism* in Iran. *Shiism* was institutionalized by the state and it also gave exceptional access to religious clerics in power and this tendency is continued even in contemporary

Iran. Education was the key tool for these clerics during all this progress.

Scholars like Al-Karaki also emphasized the concept of *Ijtihad*, according to him, leadership was 'mujtahid' and his emulate (*taqlid*) was compulsory for his followers. *Shiia* Islam was reinvented by Al-Karaki and he mainly focused on religious hierarchy and the supreme leader was the key dominating figure. The idea of *Velayat-e-Faqih* by Khomeini was influenced by the philosophical thoughts of Al-Karaki. The discourse of the Safavids Empire was carried by a highly well-educated class (*Ahl-al-Qalam*), as they maintained the administration of society. These *Adibs* were well trained in 'Adab', especially ancient *Adab* and they look Iran after the religio-socio-political and economic affairs of the State. These *Adibs* were well-versed in the philosophy of Muslim scholars such as Tusi, Farrabi, Ibn-e-Sina and Sistani. Arshin (2017) writes that 'psycho-nationalism is galvanized by a strong nexus between power and knowledge.' Safavids especially Shah Abbas (1571-1629) institutionalized the concept of *Imamite* Jurisprudence of the twelfth *Shiia* tradition. Different *madrasas* and state educational institutes were used for the institutionalization of this process. *Shiia* scholar Muhaqiq al-Karaki was among those prominent figures that supported this tradition during that era. He also played a key role in the establishment of *Sufi* traditions in Iran. He also supported the succession of *Imamite*. Consequently, in Iranian seminaries the *Shiia* school of thought becomes dominant.

History of Modern Iran

The history of modern Iran began with two major incidents; the first major incident was the uprising of a nationalist against the Shah in 1905. The second main event was oil discovery of Iran in 1908 was the second major incident. The discovery of oil has enhanced the geostrategic significance of Iran in regional politics. In 1921, Reza Khan

took the control of government and established the new Pahlavi dynasty of Iran during the era of Reza Shah Iran become a secular and modern State. Reza Shah kept a hold on all departments and he also kept provinces and tribes under the control of the central government. Reza Shah was forced to step down after the occupation of western Iran by Great Britain and the Soviet Union in 1941. After his resignation, his son Mohammad Reza Pahlavi became the new Shah of Iran and he remained in power till 1979. Prime Minister Mohammad Mossadeq forced the weak parliament to the nationalization of the British-owned oil industry in 1951. However, his decision was opposed by the Shah of Iran and he removed Mossadeq from power. The power struggle between Shah and Mossadeq resulted in serious political turmoil. A coup against Mossadeq was staged by the supporters of Shah. Though, many Iranian believe that Central Intelligence Agency (CIA) was behind that coup. According to James Bill (1988), the CIA's involvement in the August 1953 coup 'left a running wound' that badly affected Iran-USA relations.

Lubna Ali (2008) writes, "The Eisenhower administration overthrows Dr Muhammad Mossaddeq and reinstalled the Shah, using the pretext of a non-existent alliance between Dr Mossaddeq and the Soviets." Shah introduced a series of socio-economic and political reforms in 1961 and those reforms are also known as 'Shah's white revolution.' Consequently, Shah resigned because of public pressure and left Iran in January 1979. Furthermore, in February 1979 religious leader Ayatollah Ruhollah Khomeini returned to Iran from exile and established a new Islamic republic of Iran. Khomeini's revolution of 1979 made Iran an Islamic Republic.

Nikkie Keddie (1969) analyzes that, "The *Shiia ulema* in Iran had more institutional and financial independence than any *Sunni* clergy." She further states, "It does not mean that *Shiia* politics is the

permanent feature of Iran's future politics. It also means that the Iran revolution cannot be understood without a good understanding of Iran's popular and religious culture." From 1979 to till 2000 Iran faced and dealt with many challenges. For instance, Iran fought eight years (1980-1988) bloody war with its opponent Iraq, engaged in proxy wars to counter Saudi strategies and opposition by the West which also included sanctions against Iran due to its nuclear ambitions. Previously, Iran successfully managed all crises and challenges posed by its rivals. Therefore, this study argues that after languishing for centuries under the shadow of its well-known Persian legacy now Iran is emerging as an active player and a regional power in the Middle East. However, American sanctions are deeply affecting the Iranian economy and such challenges may negatively contribute in the resurgence of Iran.

Foreign Policy of Iran Post 9/11

This research highlights that Iran passed through different phases since its revolution but the incident of 9/11 has opened new doors of opportunities for Tehran. These opportunities have provided a new path for the Iranian role in the Middle East and after decades of isolation, Iran has reintegrated with the world economies. For instance, pre 9/11 Iran had stayed aware of its neighbouring country Iraq because of their decades-old rivalry. Both powers fought eight years of bloody war from 1980-1988 and it intensified the power competition between them. Since the Islamic revolution (1979), Iran has faced many hurdles from the USA and its regional rivals Saudi Arabia, Iraq and Israel.

Due to American sanctions, Iran was pushed towards isolation from the international market. Besides this, under Saddam, Iraq was protecting Saudi interests against Iran and automatically Iran needed to confront many challenges. However, the

USA invasion of Iraq was a turning point for Iran as without any direct confrontation Iranian rivals were removed from Iraq and Afghanistan. Saddam and his policies were openly against Iran and the Taliban in Afghanistan was also a threat to Iranian interests. Moreover, *Shiia* empowerment in Iraq was a key milestone that enhanced the role of Iran in the politics of the Middle East.

In 2005, Ahmadinejad become the President of Iran and he always stand against western anti-Iranian policies. Though, there were some negative consequences that Iran had to face due to the strict policies of President Ahmadinejad. In response, the USA and its allies imposed more sanctions but despite that Iran has survived and still successfully managing its crisis at home and abroad. A second major event that increased Iranian influence in the region was the Arab uprising. For instance, Iranian support for Bashar-al-Assad in Syria has shown its capability to play a powerful role as a resurgent power. Iranian support for Houthi in Yemen, and its assistance for Hezbollah all these are providing strong evidence of Iranian power throughout the region. Though, Saudi Arabia, Gulf monarchies, USA and Israel are opposing Iranian policies and trying to limit them. Arab uprising has intensified the competition for power and regional dominance, especially between Tehran and Riyadh. However, in Bahrain Iran could not get success but still, its presence and support for *Shiia* demonstrators show its involvement in regional affairs. Therefore, no one can understand the politics of the Middle East without understanding the importance of Iran in regional politics.

The third major incident that boost the Iranian role in world politics was the signing of the JCPOA on July 2015. The signing of the JCPOA was a key success of Iranian diplomacy as, after decades of conflict with the West, Iran signed a deal with the USA and world powers. Removal of sanctions was also a part of the deal and after that Iran

reintegrated with the world economies. For instance, now Iran is enjoying good terms with China, Russia and European countries. Therefore, President Trump's decision to pull-out America from the Iranian deal would not easily affect the Iranian role in regional and world politics. The remaining members of the deal are keenly interested to continue their relations with Tehran.

The Analysis of Iranian Foreign Policy Behaviour via Adaptation Model of Rosenau

The adaptive model by Rosenau (1980) provides a better understanding of Iranian foreign policy behaviour. Neo-classical realism helps to understand the foreign policy of a state but the reasons behind foreign policy behaviour can be identified with the help of the foreign policy model by Rosenau. For instance, the USA's invasion of Iraq has changed the traditional balance of power in the Middle East. Therefore, Iran adopted internal and external balancing strategies to respond the regional changes. The preservative model highlights the role of both domestic and external environments in the formulation of foreign policy. For

example; at an internal level, Iran is trying to strengthen its socio-political and economic setup to make it a strong regional power.

Iranian *Shiia* ideology, leadership and sentiments of nationalism are some key sources of Iranian strength at the domestic level. While at an external level, Iran encouraged the installation of the *Shiia* government in Iraq. Therefore, the removal of Saddam intensified Iranian influence in the politics of Iraq and also assisted *Shiia* groups in Baghdad to increase their influence. Another important event was the Arab spring; Iran has adopted different policies to respond to it. Acquisnte model emphasizes different strategies which Tehran has adopted to deal with regional challenges. Arab awakening also provided a justification for Tehran and Riyadh to interfere in the politics of the entire region. Iran has encouraged different *Shiia* protestors in different countries of the region. Like, Iranian support for the *Shiia* regime of Bashar-al-Assad in Syria, Houthis in Yemen, and Hezbollah in Lebanon are some key examples of the Iranian response to external challenges.

Table 1. Foreign Policy Behaviour: Adaptive Model of James Rosenau and Neo-Classical Realism

Sr. No	Environment (Internal/External)	Foreign Policy behaviour of Iran	Adopted Theory	Modelling
	Islamic Revolution of Iran	Change in the foreign policy of Iran towards Saudi Arabia, & the US	Neo-Classical Realism	Preservative: Both (Internal and External balancing strategies)
01	US invasion of Iraq	<ul style="list-style-type: none"> i. Iran supported the removal of Saddam ii. Installed Shiite government in Iraq iv. Traditional balance of power shifted in favour of Iran 	Balance of Power	Preservative: Both (Internal and External balancing strategies)
	Arab Spring	<ul style="list-style-type: none"> i. Encouraged Shiite Rebels throughout the Middle East 	New Balance of Power	Acquisnte (External Environment)

Sr. No	Environment (Internal/External)	Foreign Policy behaviour of Iran	Adopted Theory	Modelling
02		ii. Iran supported Houthis (Yemen), Bahrain (Shiite protestors), Syria (resident Assad)		
	Nuclear Program of Iran	End of Isolation, Diplomatic solution of Iran-US conflict, Trump, JCPOA & Iran	Neo-Classical Realism	Preservative (Internal & External)
03	Iran's Relations with Saudi Arabia & Israel	i. Ideological conflict ii. Proxy wars iii. Sectarianism iv. Alliances	Balance of Threat	Preservative (Internal and External)
04	Foreign Policy of Iran post cold war, Continuity or Change?	i. End of isolation ii. Use of soft power iii. Good terms with Europe, China, Russia iv. Active Resurgence	A New Balance of Power emerged	Preservative Internal and External
05	Iran-US Relations	i. War with Iraq ii. Harsh stance towards the US iii. JCPOA iv. Iran's good terms with China and Russia	Leadership perception Neo-classical Realism	Preservative (Interval & External)

Historical Trends of the GDP Growth Rate of Iran

World Development Indicator (WDI) shows the growth rate of the GDP of Iran. In 1977, the GDP growth rate of Iran was -4.06, and in 1998 GDP growth rate was -14.05. In 1979 (The year of the Islamic revolution), the GDP growth rate was -10.51 and in 1980 it was -27.53. Since the Islamic revolution, several times America has imposed sanctions against Iran. Another major incident was the hostage crisis of 1979-1980; it seriously affected Iran-US relations. Moreover, America imposed sanctions on Iran, targeting the banking, and trade sectors of Iran (Kenneth Katzman, 2019). In 1980 Iraq invaded Iran and the war lasted from 1980 to 1988 (Karsh Efraim, 2009). During war

years, Iran's GDP growth rate shows fluctuation, for instance; in 1980 (-27.53), 1981(-5.18), 1982 (-27.21), 1983 (8.56), 1984 (-8.79), 1985 (2.15), 1986 (-10.21), 1987 (0.65), and during 1988 (-5.40). Moreover, President Ronald Reagan's administration imposed new sanctions on Iran (Erin Blakemore, 2019).

In 1995 more sanctions were imposed against Iran during that year GDP growth rate of Iran was 2.28, and in 1996 it was 5.17 (Kenneth Katzman, 2010). President Reagan blamed Iran for its support of terrorism in the region. "In 1996, American congress especially targeted the energy sector of Iran, in order to deny Iran the financial resources to support terrorist organizations and other armed factions or to further its nuclear programs (Kenneth Katzman, 2010)." In the

last few decades, European Union (EU) has emerged as a key trade partner of Iran. Especially during the era of President Mohammad Khatami Iran's relations with the EU were improved. President Khatami's reformist policies (1997-2005), played a significant role in this regard and it also increased the cooperation between the EU and Iran (Ghodsi, M., Astrov, V., Grieveson, R., & Stehrer, R. [2018](#)). However, the era of President Ahmadinejad (from 2005-2013) was a turning point.

President Ahmadinejad had the complete support of the hardliners of Iran and he refused to cooperate with IAEA regarding the nuclear program of Iran. As a result, his policies faded the positive effects of the reformist policies of President Khatami. Later on, President George.W.Bush also imposed sanctions on Iran in 2005 (Ghodsi, M., Astrov, V., Grieveson, R., & Stehrer, R. [2018](#)). Furthermore, in 2006 more sanctions were imposed on Iran due to its nuclear program. These sanctions target the banking, energy, oil, gas, and shipping sectors of Iran. Nader Habibi writes, "From 1992 to 1999, the Iranian economy grew by an average of 2.5% and was very volatile, Unemployment rate increased from 9.8% to 12.75% during 1996-2006. The annual inflation rate for 2007 at 18.2%, compared with 11.2% in 2006 (Habibi Nader, [2008](#))."

In 2008, the US raised sanctions against Iran. During that time investors were looking for new emerging markets,

especially after the global economic crisis. However, Foreign Direct Investment (FDI) in Iran remained stagnant due to sanctions (Esfandyar Batmanghelidj, [2018](#)). In 2012, EU states also imposed sanctions on Iran, mainly targeting the oil, gas and energy sectors of Iran to reduce the exports of Iran. (Pawlak Justyna, [2012](#)). The one key purpose was to increase pressure on Iran on its nuclear program. The UNSC also increased the sanctions on Iran. However, after the signing of the JCPOA, most of the sanctions imposed by the UNSC were lifted in January 2015, during that year GDP growth rate of Iran was 13.40. The predecessor of President Obama, President Donald Trump nullified the JCPOA on May 2018 and re-imposed sanctions against Iran in May 2018.

The economy of Iran grew by 1.8 per cent in the first quarter of 2018 (World Bank, [2019](#)). The second phase of Trump's sanctions against Iran was announced on November 2018. President Trump accused Iran of the development of Ballistic missiles and its support for different radical groups. These sanctions targeted the energy and oil sectors of Iran. As a result, inflation, and unemployment has been increased in Iran. Mr Pompeo announced on May 8, 2019, "President Trump has maximized the pressure on Iran and imposed the toughest sanctions ever. The Oil exports of Iran are at a lower level, and after targeting the oil, energy, shipping and banking sectors of Iran now the target of new sanctions is non-oil products.

Table 2. Brief History of Sanctions against Iran

Year	Sanctions
1979-1980	The US blamed Iran for terrorism and imposed sanctions to limit the power of Iran
1979-1981	The US blocked all foreign assets of Iran (Katzman, K., & Kerr, P. K. (2016).
1984	The US blamed Iran for support of terrorism and imposed sanctions
1987	The US banned imports from Iran
1995	US Prohibited exports from the US to Iran.
1995	President Clinton extended the sanctions against Iran

1997	All trade and investment of US citizens with Iran was prohibited (Fayazmanesh, S. (2003).
2000	US Sanctioned entities providing goods related to WMD or ballistic missiles.
2001	The USA sanctions Iranian individuals for their support of terrorism in the region. (Katzman, K.2010).
2006	Sanctions by UNSC due to Iran's nuclear program(Gary Samore, 2015).
2006-2010	UNSC imposed harsh sanctions on Iran due to its nuclear program and ballistic missile
2007	UN banned the export of arms etc from Iran. And extended the sanctions against Iran
2008	UNSC banned the trade of nuclear equipment and expanded the sanctions against companies and individuals in Iran.
2010	UNSC banned Iranian investment in foreign nuclear activities.
2011	UNSC also prohibited the export of major weapons to Iran
2011	EU, Froze the assets and banned the travel of individuals involved in human rights abuses
2012	EU banned the import, purchase or transport of Iranian crude oil and petrochemical products.
2010-2011	The USA blocked the properties of some Iranian nationals who were involved in Human rights abuse in Syria (According to the USA).
2013	The US imposed sanctions on the energy sector of Iran
2010-2015	The US, UN, and EU put pressure on Iran's economy with heavy sanctions
2015	UN and EU sanctions were lifted after the signing of the JCPOA
2018	President Trump re-imposed sanctions on Iran and pulled-out USA from JCPOA.

Table 3. Gross Domestic Product (GDP) Growth Rate of Iran

Year	GDP Growth Rate (Annual %)	Year	GDP Growth Rate (Annual %)	Year	GDP Growth Rate (Annual %)
1961	11.48	1981	-5.18	2001	0.78
1962	8.59	1982	27.21	2002	7.27
1963	7.27	1983	8.56	2003	8.73
1964	9.19	1984	-8.79	2004	4.37
1965	17.22	1985	2.15	2005	3.19
1966	11.24	1986	-10.21	2006	5.00
1967	11.63	1987	0.65	2007	8.16
1968	14.81	1988	-5.40	2008	0.25
1969	16.33	1989	6.02	2009	1.01
1970	11.12	1990	13.83	2010	5.80
1971	14.42	1991	12.38	2011	2.65
1972	14.42	1992	2.83	2012	-7.44
1973	8.56	1993	1.04	2013	-0.19
1974	6.50	1994	-1.51	2014	4.60
1975	-2.42	1995	2.28	2015	-1.32
1976	17.23	1996	5.17	2016	13.40
1977	-4.06	1997	0.48	2017	3.76
1978	-14.05	1998	2.18	2018	-1.6 (e)

Year	GDP Growth Rate (Annual %)	Year	GDP Growth Rate (Annual %)	Year	GDP Growth Rate (Annual %)
1979	-10.51	1999	0.86		
1980	-27.53	2000	5.86		

Source: World Development Indicator (WDI)

These sanctions will reduce Iran's support for terrorism in the region. Iran's renewal of the nuclear program is a threat to the world's peace and security. He further said that our allies are with us against Iran's aggression. Last year (2018), the EU also passed new sanctions against Iran (Michael.R. Pompeo, 2019)." Katzman, Kenneth writes, "Iran has increased the sale of non-oil products like minerals, urea, agricultural goods etc and oil products such as petrochemicals, earning about \$4.7 billion in revenue from that source by 2016."

The Assumptions of Neo-Classical Realism and Foreign Policy of Iran

Realist scholars like Thomas Hobbes say that human beings are selfish by nature and the roots of politics could be found in human nature as their rules are set by humans. Since the 1950s-60s, two new trends in realism emerged; one is neo-realism and the second is neo-classical realism. Kenneth Waltz is the main neo-realist philosopher and emphasized the scientific study of international structure. John Mearsheimer (2007) also argues that the anarchy in the international system is the major reason for the aggressive behaviours of states. However, they also agreed that the possibility of war is an unavoidable fact due to the anarchical nature of the international system. Classical realism and neo-realism do not help to analyze the foreign policy behaviour of a state.

Neo-classical realism mainly highlights the significance of the foreign policy behaviour of a State. Due to the limitations of classical and structural realism, neo classical realist approach highlights both domestic and structural factors. Therefore;

this research will be analyzed via neo-classical realism along with an adaptive model of James.N.Rosenau. Neo-classical realism helps to analyze the foreign policy behaviour of a state in a more comprehensive way. Wohlforth argues that the perceptions of statesmen about power distribution must be addressed by the theories of foreign policy. The foreign policy of a state is the product of the perception of leaders about the place of their state in the international system. Their perceptions also include domestic factors such as their ideological risks and survival of their State.

According to Taliaferro (2016), leaders have to manage at two levels; they have to deal with the external environment on one hand. On the other hand, they have to mobilize their domestic resources and they also have to sustain the support of stakeholder and their institutions. The power of a state at the domestic level is another intervening variable and it constrains the perceptions of leaders. Structural realist argues that states are security maximizer. However, offensive and classical realists say that states are power maximizers. While neo-classical realism argues that any kind of progress in capabilities also amplifies the foreign policy activity of a state.

Rose highlights the significance of internal and external variables in the formulation of foreign policy and tries to bridge the gap between classical and structural realism. He says that unit and structure both are important to understand the foreign policy behaviour of a state. He further argues that the foreign policy behaviour of a state cannot be elucidated only through the analysis of structural

constraints but with power distribution as well. The foreign policy of a state is mainly driven by its position in the international system, primarily by its relative power capabilities. These power capabilities have deep impacts on foreign policy. Neo-classical realism also focuses on the significance of the foreign policy of a state. The intervening variables (such as leadership and their perceptions) translate the systematic pressure at the unit level.

A neo-classical realist sees an anarchic international system as an independent variable and the foreign policy of a state as a dependent variable. While according to neo-classical realism power capabilities of a state and leadership perceptions are intervening variables. According to neo-classical realism, anarchic global systems and power distributions are the main determinants of a state's behaviour and interests. They also believe that the foreign policy of a state cannot surpass the opportunities and limitations given by the international environment.

According to neo-classical realism, states are primarily concerned about their power and also for security. Therefore, states shape and control their domestic, and societal environment according to the international environment. Moreover, states also have to counter the uncertainties and challenges posed by the anarchic international system. Similarly, Iran is also concerned about its powerful capabilities to deal with its regional and global opponents. Iranian nuclear program and its alliance with Hezbollah, Bashar-al-Assad and support for *the Shiia* government in Iraq is also an effort to enhance its power capabilities.

Foreign Policy of Iran and Balance of Power

In politics, balancing is a term that highlights the foreign policy behaviour or strategy of a state, while 'balance of power,'

is viewed as an equilibrium of power between different states and also as the outcome of state policies at the system level. The main purpose of such balancing is to avert powerful states from becoming hegemonic and if such efforts become successful then a balance of power is supposed to exist. Hard and soft balancing are the main strategies for the balance of power (Paul, T. V., Wirtz, J. J., & Fortmann, M. 2004). States adopt different strategies (such as military, economic strength or alliances) to match or decrease the capabilities of their rival power. Hard balancing involves intense interstate competition among rival states.

Additionally, the enhancement of military, security capabilities and alliances are a part of hard balancing strategies. The concept of balancing in classical realism and structural realism mainly emphasizes hard balancing. While, soft balancing involves the build-up of limited arms, and cooperation in regional and international organizations. However, when states feel threatened by their rival power than they mostly rely on hard balancing to counter the immediate threat. Moreover, asymmetric balancing highlights the state's efforts to contain the indirect threat posed by non-state actors such as terrorist groups. It also refers to the efforts of different states to sponsor these groups against their enemy state i.e. via assisting different terrorist groups. The balance of power notion also highlights that all states want to survive as independent units.

The anarchic nature of the international system compels states to seek power as with power they will not only lose their security but also become subservient to other powerful states. Therefore, states prefer to increase their power as it is important for the security and survival of a state. The competition for power in global politics is a common norm. It is also obvious that if a state gains enough power, then it may also

enforce its will on other states. States adopt balancing strategies at the internal and external levels. Internal balancing involves strategies such as an increase in arms and defence capabilities at the domestic level. At the external level, states go for an economic, military and strategic alliance to balance the threat. Moreover, power equilibrium also prevents rival states from the war as there would be less possibility of the victory of any actor if they go to war in such a situation.

In the case of the Middle East, power-balancing strategies mainly revolve around two regional powers Iran and Saudi Arabia and both States are trying to limit their rivals by adopting internal and external balancing strategies. The dynamics of the balance of power not only influence and affect the global powers but also prevail at the regional level. At the regional level, rising powers are coalitions of states that mostly create problems. Whenever a state or coalition of states becomes more powerful than it might push it for aggressive behaviour towards other states of the region. Consequently, the rival state or coalitions of states mostly establish balance to counter the threat. However, this balance can be with or without the involvement of great powers. States also enhance and modernize their military capabilities to balance their rival power.

The main advantage of a balance of power at the regional level is, it helps to prevent war and to establish an equal distribution of power. Patrick Morgan argues that regional powers tend to "put great emphasis on autonomy and manipulate their relationships primarily on the basis of relative power capabilities (Lake, D. A., & Patrick, M. 1997)." It is also important to understand that most regional actors allow great powers to preserve or disturb the balance of power at the regional level. Regional powers are relatively less autonomous as compared to great powers.

Therefore, it provides a way for great powers to interfere in regional matters and influence regional actors. Moreover, revisionist states are mostly assumed as a threat to their rival regional powers and also to global powers (Lavoy, P. R., Sagan, S. D., & Wirtz, J. J. Eds. 2000).

Analytical Discussion

This dissertation mainly focuses on the foreign policy behaviour of Iran and neo-classical realism is the theory of foreign policy. Domestic factors such as the religiopolitical ideology of Khomeini are one of the main factors in the formulation of the foreign policy of Iran. Moreover, *Shiia* ideology, Supreme leader, policy-making bodies, Iranian nationalism, and theological identity are among the key factors in the shaping of the foreign policy of Iran. Though the international environment also shapes and influences the foreign policy behaviour of Iran. The role of statecraft is significant to understand the foreign policy of Iran. The religiopolitical ideology of *velayat-e-Faqih* plays a vital role in the formulation of Iran's foreign policy. The supreme leader is the *faqih* and head of State. Moreover, the role of the President, Majlis, Council of Guardians, Assembly of Experts, Supreme National Security Council, Joint Chief of Staff, Interior Ministry, and Intelligence Ministry also play a significant role at the domestic level.

Since the Islamic revolution, Iran is facing threats from regional and global powers. Previously, Iran tried to manage the threats posed by Iraq (under Saddam), Saudi Arabia and Israel at the regional level. Post-Saddam, Iran is mainly focusing on Saudi Arabia and Israeli to contain their influence. Neo-classical realism also incorporates the role of domestic and structural factors in defining the behaviour of states. Iran is among the important regional powers of the region. Iran has a

long history of remarkable role in regional and global politics.

After the invasion of Iraq, President George W. Bush included the name of Iran in the 'axis of evil' list. Therefore, Iran feel threatened by its regional and global rivals and started focusing on its nuclear program to counter and limit all these threats. Iran always argues that its nuclear program is for peaceful purposes. The ongoing proxy wars in the Middle East are also an outcome of a power struggle between Iran and Saudi Arabia to become a regional power. Since the revolution, Iran is trying to increase its influence as a key regional power. Despite USA sanctions, Iran is moving from the regional to global arena and also improving its relations with Russia, China. It also reveals that Iran has the ability to play

significant role not only in the politics of Middle East but also in European and Asian region. In Asia, Iran's relations with India, Pakistan and China are a key part of its policy. Moreover, Iran is keenly interested in playing a constructive role in Afghanistan after the withdrawal of the USA. The geopolitics of the Middle East is quite complex and ongoing proxy wars have intensified the competition for power between Tehran and Riyadh. Moreover, the Iranian leadership is trying to protect Iranian nationalism at the domestic and regional levels. In this regard, the era of President Ahmadinejad is a key example of it. Furthermore, the Iranian leadership is also trying to adjust its national interest and religious ideology in the changing regional environment.

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