



# NAVAL POSTGRADUATE SCHOOL

MONTEREY, CALIFORNIA

## THESIS

**EXPLAINING IRAN'S FOREIGN POLICY, 1979–2009**

by

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December 2010

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**EXPLAINING IRAN'S FOREIGN POLICY, 1979–2009**

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Submitted in partial fulfillment of the  
requirements for the degree of

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## **ABSTRACT**

This thesis examines Iranian foreign policy from 1979 to 2009. Five different explanatory models are evaluated using four well-documented historical examples. The goal of the project is to determine which, if any, of these five commonly used explanatory models possesses the most promise as a predictive tool for policymakers and intelligence analysts.

Iranian involvement in the Lebanon Hostage Crisis, their support to Hezbollah, anti-Israel policy, and ongoing nuclear development program provide the context for evaluating realist, ideological, factionalist, constructivist, and two-level game theory models for explaining Iranian foreign policy. Aspects of each theory are assimilated by two-level game theory in such a way as to allow a large degree of explanatory flexibility. Iterative competition among the various interests of the state and political factions, as well as ideological and cultural factors, contribute significantly to each of the historical examples. Two-level game theory is identified as the model possessing the most promise for explaining Iranian state behavior during the period under study.

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

23 May Movement – Katami’s reformist coalition  
ACC – Association of Combatant Clergy (Islamic Left)  
AIPAC – American Israel Public Affairs Committee  
AUB – American University, Beirut  
CIA – Central Intelligence Agency  
Dawa – al-Da’wa al-Islamiyyah  
IRGC – Islamic Revolutionary Guards Corps (Pasdaran, Sepah)  
IDF – Israeli Defense Forces  
ILSA – Iran / Libya Sanctions Act  
Kargozaran – Executives of Reconstruction  
Majles – Iranian Parliament  
MEK – Mujahadeen-e Khalq  
MNF – Multinational Forces  
Pasdaran – Islamic Revolutionary Guards Corps (IRGC, Sepah)  
PLO – Palestinian Liberation Organization  
Sepah – Islamic Revolutionary Guards Corps (IRGC, Pasdaran)  
SCC – Society of Combatant Clerics (Traditionalist Right)  
SNIE – Special National Intelligence Estimate  
UN – United Nations

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## **I. MAKING SENSE OF IRAN'S FOREIGN POLICY, 1979–2009**

### **A. RESEARCH QUESTION**

Questions regarding the motivations of U.S. adversaries lead policymakers to resort to a variety of theoretical frameworks explaining state behavior. Even though a single, universal theoretical model for explaining state behavior may not exist, this paper aims to isolate which of several leading international relations theories best explains the Islamic Republic of Iran's behavior. I examine four key historical instances of Iranian foreign policymaking, according to five competing theories of international relations, to identify the most consistent theory. The four historical examples of Iranian state behavior are: (1) the Lebanon hostage crisis, (2) Iran's support to Hezbollah, (3) Iran's anti-Israel policy, and (4) Iran's nuclear development program. The five theories applied to each example are: (1) realism, (2) ideological explanations, (3) factionalism, (4) constructivism, and (5) two-level game theory.

### **B. WHY EXPLAIN IRAN'S FOREIGN POLICY?**

Iran's foreign policy behavior is among the most pressing security challenges facing the world today. Listed by the U.S. Department of State as a sponsor of terror and developing a nuclear capability in the heart of the Middle East, understanding Iran's intentions and motivations is clearly in the national interest of the United States. It may be possible to predict probable Iranian responses to future diplomatic or military actions through a proper understanding and rigorous modeling of historical Iranian state behavior.

A variety of theories offer explanations for Iranian state behavior since the revolution. Each of five leading international relations theories implies one or more rational strategies for U.S. foreign policy. First, balance of power realism suggests that Iran's ambitions serve its national security interests by increasing its power. Secondly, balance of threat theorists claim that Iranian state behavior is the rational outcome of Iran's perception of the offensive intentions of the U.S. and Israel. Both balance-of-

power and balance-of-threat sub-species of realism suggest possible diplomatic solutions to the current impasse between Iran and the U.S., though their approaches and likely outcomes may vary. Third, proponents of ideological explanations for Iranian state behavior, focus on Khomeini's political theology and its legacy and attempt to construct a foreign policy that caters to assumed internal beliefs. Fourth, factional explanations take into account the multiple, competing, internal interests comprising Iran's political system and economy, and tend to drive policies such as "targeted sanctions" in order to punish factions inherently opposed to U.S. interests. Constructivist claims that cultural determinants play an important role, stressing the importance of both national and religious heritage.<sup>1</sup> Fifth, game theorists take multiple levels and layers of political and economic interaction into account, including internal political factionalism and international state-level interactions. This thesis examines the extent to which each of these theories successfully describes Iranian foreign policy.

The Lebanese hostage crisis, Iranian support to Hezbollah, Iran's anti-Israel policy, and the Iranian nuclear development program are four historical examples of Iranian foreign policy under examination. These examples, in particular, represent events central to the breakdown of diplomatic relations between the U.S. and Iran. A thorough examination of each, using several different theories, may provide a more appropriate approach by which U.S. policymakers can re-engage Iran diplomatically.

### **C. PROBLEMS AND HYPOTHESES**

Explaining Iranian foreign policy is difficult for a number of reasons. From a strictly realist perspective, Iran's behavior may seem maddeningly inconsistent. Decisions made by the leadership to prolong the war with Iraq and export the revolution to Lebanon were made, by all internal accounts, in order to support moral-religious imperatives of the revolution. Realist explanations for the same events seem convoluted at best, given the relative weakness of Iran and its ability to independently sustain expansionist policies at that time. Ideological explanations for Iranian foreign policy run

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<sup>1</sup> Ali Ansari, "Civilizational Identity and Foreign Policy: The Case of Iran," in *The Limits of Culture: Islam and Foreign Policy* (Cambridge, MA: MIT Press, 2006): 246.

into similar problems, with Iran supporting ideological rivals while turning a blind eye to the actions of corrupt allies such as Syria, illustrated by Iran's cynical support for Syria after the Hama massacre in 1982. Factional explanations fail to account for what little consistency does exist in Iranian foreign policy, from the time of the Shah, through the Khomeini and post-Khomeini eras. Factional explanations seem to offer less of a theory for explaining Iranian foreign policy than providing a play-by-play account of how that policy was implemented. Two-level game theory offers a hybrid approach that takes the best of both realist and factional explanations, but fails to account for some of Iran's seemingly dictatorial policy decisions.

Though each of the five international relations theories cited above possesses explanatory power, the key question driving an empirically justified theoretical framework remains which theory offers the most consistent explanation for Iranian state behavior. Three criteria guide this determination:

1. As with any scientific theory—physical or social—the explanation must be falsifiable.
2. The explanation must provide coherence for each historical case of Iranian foreign policy.
3. If one or more theories meet the first two criteria, the simplest explanation is preferred.

The following chapters describe in detail the four historical examples and examine each example according to the five international relations theories selected for testing. Critical application of the criteria outlined above determine which theory best describes the historical case. No attempt will be made to quantify the results, as the answer to the first question is binary, the second answer is qualitative, and the third guides selection where any particular theory relies on an excessive number of assumptions.

#### **D. LITERATURE REVIEW**

The wide body of literature examining Iranian foreign policy from 1979 to 2009 resorts to a variety of theories of international relations to explain the reasons for Iranian

state action. The fact that most of this literature is internally consistent should not come as a surprise. Social science, like the physical sciences, allows for a variety of internally consistent systematic explanations that lead to the same conclusion.<sup>2</sup> Unlike the physical sciences, however, there are rarely experiments that one can conduct in order to falsify the development of international relations theory. The historical record, therefore, is scoured for “outlier” examples that seem to defy expectations in search of some bit of evidence that might signal the end of one theory or other. The Islamic Republic has, since its revolutionary inception, been regarded as such an outlier, and explanations regarding it are hotly debated.

Similar to the lead-up to the war with Iraq, influential policy advisors and national security experts promoted the notion that Iranian state actions can only be understood in the context of either religious ideology or as the result of complex factional in-fighting between rival interests.<sup>3</sup> The implication of the neo-conservative brand of liberal international relations theory, that peace can only be achieved when all states transition to democracies, naturally makes the case for policies advocating regime change in Iran. Liberal advocates of democratic peace theory, as well as theorists subscribing to ideological and factional explanations for Iranian foreign policy, claim Iran’s internal states of affairs are the causal mechanisms by which Iranian foreign policy is constructed. Said Arjomand ascribes Tehran’s expansionist policies to the rise of Ahmadinejad and the Pasdaran.<sup>4</sup> Explicitly advocating the view that Iran’s current foreign policy is tied to the internal regime politics, he claims that the split of the revolutionary political elite into hardliners and pragmatists, and the subsequent rise of the hardliners to power, drives both Iran’s nuclear ambitions and increased regional mischief.<sup>5</sup> Several studies of Iranian factionalism cite these as reasons for understanding the internal workings of Iran’s foreign policy decision-making process. Specifically, the Department of Defense funded

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<sup>2</sup> Thomas Kuhn, *The Structure of Scientific Revolutions* (Chicago: University of Chicago, 1970).

<sup>3</sup> Kenneth M. Pollack, Daniel L. Byman, Martin Indyk, Suzanne Maloney, Michael E. O’Hanlon and Bruce Riedel, *Which Path to Persia* (Washington D.C.: Brookings, 2009).

<sup>4</sup> Said Arjomand, *After Khomeini: Iran Under His Successors* (New York, NY: Oxford University Press, 2009).

<sup>5</sup> Ibid., 13

one such study by RAND which states in its preface, “. . . the U.S. ability to “read” the regime in Tehran and formulate appropriate policies has been handicapped by the lack of access to Iran. . . The objective of this book is to offer a framework to help U.S. policymakers and analysts better understand existing and evolving leadership dynamics driving Iranian decision making.”<sup>6</sup>

From a realist perspective, the development of closer regional ties insulates Iran against threats from potential hostile regional coalitions. Further, security is advanced through the pursuit of popular programs that defy the international community, such as the nuclear program, support for Hamas and Hezbollah, as well as intra-regional economic and political engagement. Iran’s state actions are firmly bound by selfish national interest in achieving security through regional hegemony, and are rational in accordance with a strict realist perspective, rendering appeals to the unique nature of Iran’s internal politics to explain state behavior of limited use.

Realist explanations of Iranian foreign policy do not entirely discount the importance of internal politics, however. Trita Parsi’s account of U.S., Israeli, and Iranian relations from 1979 through the first half of the present decade locates the foreign policies of each state within both an inter and intra-state context.<sup>7</sup> Oliver Roy claims unambiguously that, “There is no fundamental disagreement within the Iranian political establishment over Iran’s ambition to be a major power, its need to have a nuclear capability, or over its ambition to weaken the Arab front. The argument is over the means.”<sup>8</sup> The internal argument from this point of view is hardly irrelevant, while the overall direction of Iranian foreign policy is accounted for in a realist framework.

Analysis of internal ideological or factional explanations reveals a lack of light between ideological, factional, and hard-nosed *realpolitik* explanations for state actions. A number of authors refer to religious ideology as a mask of some sort for practical political motivations. Despite the attempts of Iran’s clergy to claim the primacy of Islam

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<sup>6</sup> David E. Thaler, Alireza Nader, Shahram Chubin, Jerrold D. Green, Charlotte Lynch and Frederic Wehrey, *Mullahs, Guards, and Bonyads* (Santa Monica, CA: RAND, 2009).

<sup>7</sup> Trita Parsi, *Treacherous Alliance* (New Haven: Yale University Press, 2007).

<sup>8</sup> Oliver Roy, *The Politics of Chaos in the Middle East*, trans. Ros Schwartz (New York: Columbia University Press, 2008).

over politics, it is clear that politics trumps religion in Iran's foreign policy. Ray Takeyh notes as much with respect to Iran's pursuit of "un-Islamic" nuclear weapons, though ultimately Takeyh claims that Iran's foreign policy is driven more by ideology than "rational calculation."<sup>9</sup> Oliver Roy's contention that there is little disagreement over the content of Iranian foreign policy (see above quotation) among the various regime factions reinforces similar views expressed by Parsi. Despite his claims tying expansionism to the rise of Ahmadinejad; Arjomand states that Iran's international politics have been remarkably consistent.<sup>10</sup> Similar to Roy's position, he contends that Iranian foreign policy has not changed so much as the means by which it is executed.<sup>11</sup>

Factional and ideological explanations for Iran's support to Hamas and Hezbollah abound. In his study of Hezbollah, Richard Norton attributes ideological revolutionary motivation to Iran's support of Hezbollah, while ascribing purely rational motivations of national self interest to Syria's support of the same.<sup>12</sup> Takeyh makes a similar claim, moderated by recognition of the fact that Syria and Iran both stood to gain from mutual alliance and support of Hezbollah.<sup>13</sup> Kenneth Pollack maintains that Iran's support for terrorism in the 1980s served both ideological and practical foreign policy objectives.<sup>14</sup> His claim is predicated on the assumption that Khomeini was the driver of Iran's foreign policy, and had sufficient influence to, at times, trump genuine national interest in favor of ideological pursuits. If this is the case, one would expect to see much less ideologically driven foreign policy in the post-Khomeini era. In the absence of a carefully considered analysis of Iran's foreign policy goals, however, factionalism filled the explanatory void left by Khomeini's death. A cottage industry of factionalist explanations for Iran's foreign policy caters to proponents of democratic peace and neoconservatives. Mehdi Moslem contrasts the rhetoric of Khatami and Khamenehi to

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<sup>9</sup> Ray Takeyh, *Guardians of the Revolution* (New York: Oxford University Press, 2009).

<sup>10</sup> Said Arjomand, *After Khomeini: Iran under his successors* (New York, NY: Oxford University Press, 2009).

<sup>11</sup> Oliver Roy, *Globalized Islam* (New York: Columbia University Press, 2004).

<sup>12</sup> Augustus Richard Norton, *Hezbollah* (Princeton, NJ: Princeton University Press, 2007): 34–35.

<sup>13</sup> Ray Takeyh, *Guardians of the Revolution* (New York: Oxford University Press, 2009): 71.

<sup>14</sup> Kenneth Pollack, *The Persian Puzzle* (New York: Random House, 2004): 198.

illustrate the spectrum of ideological conflict being waged within Iran, and argues that Iran's seemingly inconsistent policies are the result of ongoing internal power struggles.<sup>15</sup> Similarly, Ehteshami and Zweiri explain Iran's putative shift to a more strident foreign policy, actively fighting the U.S. and Israel by proxy with Hezbollah and Hamas, in terms of the rise of Iran's neoconservatives.<sup>16</sup> Ultimately, the policy prescriptions of advocates of ideological and factional explanations for Iran's foreign policy lead to meddling in Iran's internal affairs. If these assumptions are incorrect and Iran's motivations for supporting Hamas and Hezbollah, along with a host of other foreign policy decisions, have less to do with internal factionalism and lack of democracy than a pragmatic concern for bolstering their regional security, then these policy prescriptions may be dangerously misguided.

Factional, ideological, and realist explanations for Iran's pursuit of nuclear weapons technology seek to explain the same behavior, but their corresponding policy prescriptions are very different. Within both factional and ideological explanations for Iran's pursuit of a nuclear capability, there is an assumption that regime change would affect Iranian policy. This notion is particularly appealing to neoconservatives and liberals sold on Kantian peace. While the realities of the Iraq war may have muted calls for regime change in Iran, recent successes in both Iraq and Afghanistan and disclosures of Iran's continued progress towards developing a weapons capability have reinvigorated neoconservative and liberal advocates of regime change.

## **E. THESIS OVERVIEW**

The thesis begins with the opening question of which international relations theory best explains each of the four historical examples, followed by a treatment of the existing literature, as detailed above. Chapter I examines Iranian foreign policy during the Lebanese hostage crisis from the perspectives of each of the five cited international relations theories. Chapter II covers Iranian support to Hezbollah. Iran's anti-Israel

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<sup>15</sup> Mehdi Moslem, *Factional Politics in Post-Khomeini Iran* (Syracuse, NY: Syracuse University Press, 2002): 1–2.

<sup>16</sup> Anoushiravan Ehteshami and Mahjoob Zweiri, *Iran and the Rise of Its Neoconservatives* (New York, NY: I.B. Tauris, 2007).

policy and rhetoric, to include its support to Hamas and alliance with Syria, is discussed in Chapter III, while Chapter IV concludes with a look at Iran's nuclear development program. The conclusion evaluates each of the five international relations theories according to their ability to coherently explain the historical cases, and makes a determination as to which best explains each, while being careful not to generalize as to any broader conclusions regarding international relations theory outside of the narrow context of the Islamic Republic of Iran.

## **II. LEBANON HOSTAGE CRISIS**

The Lebanon hostage crisis began in the early 1980s and lasted until approximately 1992. The hostages, mostly Western European and American, were abducted mainly by Islamic Jihad, an organization closely affiliated with Lebanese Hezbollah. Lebanese Hezbollah itself was subordinate to Iran, its principal benefactor (along with Syria). Iran coordinated with Lebanese Hezbollah through the Islamic Revolutionary Guards Corps (IRGC) and the IRGC's Office of Liberation Movements.

The first Western hostages were apparently taken in retaliation for the actions of Lebanese Christian militia forces, but subsequent hostage-taking served a number of purposes, from quid pro quo prisoner exchanges to demands for changes to U.S. foreign policy. Significantly, the most tangible result of U.S. hostage-taking was the sale of U.S. arms to Iran, critically needed by the Iranian government in its decade-long war with Iraq.

Explanations for Iran's hostage policy draw on its need for regional security, revolutionary ideological mission, internal factionalist squabbles, long-standing cultural ties with Lebanon, and iterative processes of negotiation between domestic imperatives and international relationships. The historical facts of the crisis clearly demonstrate that the majority of these explanations are not coherent. Iran abandons its rational security interests as a result of factionalist infighting. In favor of its security interest, Iran consistently eschews its ideology as well as its cultural ties to Lebanon. Factionalist rivalries and two-level game theory turn out to be the only explanations that satisfy the requirements of falsifiability, coherence, and simplicity.

### **A. HISTORY OF THE CRISIS**

The Lebanon Hostage Crisis, sometimes referred to as the Western Hostage Crisis, did not originate with the abduction of Western hostages. The crisis began with the abduction of four politically important Iranians by Christian militiamen in Beirut

during the summer of 1982.<sup>17</sup> The four stopped by Lebanese Forces militia included: Sayyed Mohsen Musavi, Iran's chargé d'affaires to Lebanon; Ahmad Motevasselian, the commander of the IRGC contingent at Ba'albek; Kazem Akhavan, a photographer for the IRNA; and their driver, Taqi Rastegar Moqddam, a dual citizen of Lebanon and Iran. According to Samir Geagea in 1990, the Lebanese Forces commander, Elie Hobeika ordered their execution "within hours of their arrival."<sup>18</sup> The government of Iran disputes this account, claiming that all or some of the Iranians continue to be held in Israeli prisons.

In swift response, Iranian proxies abducted David Dodge, the president of the American University in Beirut (AUB) on 19 July. Taken to the IRGC headquarters at Ba'albek, Dodges' incarceration continued in Iran until the Syrian government intervened to secure his release the following year, on 21 July 1983.<sup>19</sup> Despite the obvious connection between the abduction of the four Iranians by Lebanese Forces, widely viewed as proxies of Israel and the U.S., and the abduction of David Dodge; no demands or justifications were communicated to the U.S. government regarding his detention, underscoring the communications difficulties that plagued kidnapping operations in Lebanon throughout the 1980s. The fact that an immediate response for the abduction of the Iranians was politically required, combined with the relatively new IRGC force structure that was still building up in Lebanon, provides a likely explanation for both the poor communication regarding the purpose of taking David Dodge hostage, as well as the poor operational security that led to the U.S. discovery that he was taken to Tehran and incarcerated at the Evin prison. Regardless, upon his release, kidnapping operations would not resume until early 1984 with the abduction of Hussein Farrash, and the assassination of Malcolm Kerr.

The resumption of kidnapping operations in 1984 is frequently attributed to the trial and imprisonment of the "Dawa 17" in Kuwait. The trial and conviction of the Iraqi *al-Dawa al-Islamiyyah* members for multiple bombing attacks against Kuwaiti, French,

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<sup>17</sup> Kenneth Pollack, *The Persian Puzzle* (New York: Random House, 2004): 209.

<sup>18</sup> Ihsan A. Hijazi, "Hostages' Fate Linked to 4 Missing Iranians," *New York Times*, Nov 23, 1990: 11.

<sup>19</sup> Bernard Gwertzman, "American is Freed with Help of Syria," *New York Times*, July 22, 1983: 1.

and American targets in Kuwait led to demands from Lebanese Hezbollah for their release in exchange for hostages. The attacks took place in December of 1983, and in March 1984, Hezbollah (through its thinly-veiled proxy, Islamic Jihad) responded by taking Frank Regier, Christian Joubert, Jeremy Levin, and William Buckley hostage. Additionally, Malcolm Kerr, the new president of AUB was assassinated in January (probably in a failed kidnapping attempt), though no claims of responsibility were made for his assassination.

Besides the Iranian links between the Dawa 17 and Lebanese Hezbollah, there were also familial ties to be considered. Husayn al-Musawi, the leader of Islamic Amal, and Imad Mughniyah, the leader of Islamic Jihad who would go on to become the most notorious and effective Hezbollah operative in the 1980s, were relatives of two of the Dawa 17. Thus, multiple interests converged: Iran's desire to punish U.S., French, and Kuwaiti support to Iraq; Hezbollah's desire to punish U.S. and French support for the Israeli invasion of Lebanon; and their mutual interest in freeing the Dawa 17 for supporting both those efforts.

After sentencing of the Dawa 17 in Kuwait in March 1984, Iran and Hezbollah upped the international pressure on Kuwait and their handling of the prisoners by kidnapping a British hostage.<sup>20</sup> Peter Kilburn was kidnapped on 3 December 1984, likely in coordination with the hijacking of Kuwait Airlines Flight 221 the following day by Dawa members demanding release of their members.<sup>21</sup> Following Kilburn, American, Lawrence Jenco, was abducted in January of 1985, and Eric Wehrli, the Swiss chargé d'affaires, was apparently abducted on the mistaken assumption that he was French.<sup>22</sup>

The stated reasons for hostages taken from 1985 on began to focus on the plight of prisoners held in Israeli camps and Western support for Israel, as well as specific cases of prisoners held in Germany and France. The withdrawal of the IDF from Southern Lebanon between February and June of 1985 represented a victory for Hezbollah (as did the earlier withdrawal of the Multinational Forces); through the use of classical guerrilla

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<sup>20</sup> Magnus Ranstorp, *Hizb'aallah in Lebanon: The Politics of the Western Hostage Crisis* (New York, NY: St. Martin's Press, 1997): 92.

<sup>21</sup> Ibid., 93.

<sup>22</sup> Ibid.

warfare operations, it had worn down the far superior IDF by breaking the political will of Israel to remain committed to the fight in Lebanon. By early 1985, over 90 percent of the Israeli population approved of the planned withdrawal.<sup>23</sup> These two victories demonstrated the importance of Hezbollah as an organization and vindicated Tehran's policies at home at a time when a foreign policy victory was desperately needed.

Pressing their advantage, in early 1985 Islamic Jihad abducted Marcel Fontaine, Marcel Carton, Lawrence Jenco and Terry Anderson, and continued demands for the release of the Dawa 17.<sup>24</sup> This was followed in May and June by the kidnappings of Jean-Paul Kaufmann, Michel Seurat, David Jacobsen and Thomas Sutherland, also by Islamic Jihad, and the hijacking of TWA Flight 847.<sup>25</sup> The Israeli withdrawal in June and the subsequent demand for the release of 766 Lebanese prisoners in Israel by the hijackers re-established the link between the hostages and Lebanese-specific interests. The ongoing demand for the release of the Dawa 17, however, underscored the potential for Iranian influence as the hostage crisis entered a new phase with the Iran-Contra Scandal.

Acquiescing to the demands of the hijackers, the U.S. pressured Israel to release the 766 prisoners in exchange for the passengers on board Flight 847. In a quid pro quo, Iran's speaker of parliament, Ali Akbar Hashemi Rafsanjani pressured Hezbollah to release the airline hostages.<sup>26</sup> This was but one of many concessions the Reagan administration made in response to Hezbollah and Iran, a process that began with the U.S. troop withdrawal from Lebanon. Meanwhile, concern over the plight of the hostages in Lebanon by President Reagan ultimately led to the effort by the U.S. administration to exchange arms in order to secure their release.<sup>27</sup> Unwilling or unable to influence the government of Kuwait over the fate of the Dawa 17, and presented with the possibility of improved relations with Iran and the release of the hostages by Israeli

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<sup>23</sup> Avi Shlaim, *The Iron Wall* (New York, NY: Norton, 2001): 427.

<sup>24</sup> Kenneth Pollack, *The Persian Puzzle* (New York, NY: Random House, 2005): 211.

<sup>25</sup> The Times, "The 27 foreign hostages still held in Lebanon," *The Times*, Aug 19, 1987.

<sup>26</sup> Kenneth Pollack, *The Persian Puzzle* (New York, NY: Random House, 2005): 211, 212.

<sup>27</sup> *Ibid.*, 212.

intermediaries, the U.S. began swapping U.S. arms for the promise of Iranian influence to release U.S. hostages in Lebanon. The results of the effort were less than stellar.

The interests of the U.S., Israel, and Iran converged briefly in the mid 1980s, giving rise to what would become known in the U.S. as the Iran-Contra Scandal. The story began with Operation Staunch, a U.S. initiative aimed at cutting Iran off from the international weapons market. By 1985, Operation Staunch was beginning to have a major impact on Iran's ability to procure weapons.<sup>28</sup> To make matters worse, Iraqi offensives against Iranian population centers were increasingly effective. This created a need for Iran to somehow break the U.S. stranglehold. Breaking with his previous policy of "neither east nor west"; Khomeini's "open window" policy emerged, and his point-man to spearhead efforts to open up the international weapons market was the Speaker of Parliament, Ali Akbar Hashemi-Rafsanjani.<sup>29</sup>

Rafsanjani's initial efforts to acquire weapons from the U.S. failed. Using a series of intermediaries, terminating with the Iranian arms dealer Manouchehr Ghorbanifarr, Rafsanjani managed to secure a deal with the U.S. government to exchange weapons for Iranian influence to release U.S. hostages held in Lebanon.<sup>30</sup> The story of the Iran-Contra affair is well documented on the side of the U.S., but given the lack of transparency of the Iranian regime, considerably less is known about how, exactly, Khomeini's "open window" policy led to the arms-for-hostages exchanges, which governmental institutions were involved, and whether or not the factional disputes that arose from the crisis led to one of the Islamic Republic's biggest rifts.

A number of intermediaries had to be used by the government of Iran before successful communications with the U.S. could be established. Initial gestures of goodwill were rebuffed—the interventions of Rafsanjani and the Iranian Foreign Minister, Ali Akbar Velayati on behalf of the hostages aboard Flight 847 did little

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<sup>28</sup> Trita Parsi, *Treacherous Alliance* (New Haven: Yale University Press, 2007): 114.

<sup>29</sup> Shaul Bakhash, *The Reign of the Ayatollahs* (New York: Basic Books, 1984): 258.

<sup>30</sup> John W. Limbert, *Negotiating with Iran* (Washington D.C.: United States Institute of Peace, 2009): 124.

towards establishing initial contacts with the U.S. administration.<sup>31</sup> Nonetheless, it did demonstrate the potential of Iranian cooperation in dealing with Hezbollah.

The efforts of the government of Iran to open channels with the U.S. most likely began with Khomeini himself, and involved House Speaker Hashemi-Rafsanjani, Mir-Hossein Musavi, Hassan Karrubi (the brother of Mehdi Karrubi), Khomeini's deputy, Montazeri and his protégé, Mehdi Hashemi.<sup>32</sup> This constitutes a list of Iranian clerical political operatives known to be involved in the arms-for-hostages scandal, and is not comprehensive. It is important to note, however, that in order to effect the exchanges of arms for hostages, the Iranian government involved politicians from multiple factions. Rafsanjani, Khomeini's pragmatist agent, drove the Iranian initiative. . By virtue of their positions in government and relationships with Hezbollah: Musavi, Montazeri, and Hashemi, all had to be involved from various leftist factions.

The principal agent working to establish a communications channel with the U.S. government was the Iranian arms dealer, Manuchehr Ghorbanifar. Following several failed attempts at engaging the U.S., Ghorbanifar was advised by fellow arms dealer Adnan Kashogi to use Israeli intermediaries.<sup>33</sup> By 1985, Ghorbanifar was actively working with Israeli politicians, lawmakers, and arms dealers in an effort to draw the U.S. into a weapons agreement with the Islamic Republic. Meanwhile, in the U.S., concerns over Soviet influence in Iran caused President Reagan to request that his security staff investigate means by which the U.S. could re-engage Iran in order to off-set Soviet influence.<sup>34</sup> Though Reagan's National Security Advisor, Bud McFarlane later stated “. . .that theory [the theory of Soviet influence] was created among ourselves and had no foundation in fact or contemporary events or intelligence material,” it would be exceedingly surprising if it was supposed without evidence, which was so readily

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<sup>31</sup> Trita Parsi, *Treacherous Alliance* (New Haven: Yale University Press, 2007): 115.

<sup>32</sup> John W. Limbert, *Negotiating with Iran* (Washington D.C.: United States Institute of Peace, 2009): 125–131.

<sup>33</sup> Trita Parsi, *Treacherous Alliance* (New Haven: Yale University Press, 2007): 115.

<sup>34</sup> *Ibid.*, 117.

available.<sup>35</sup> Khomeini's new foreign policy of 1985, resulting in Rafsanjani's efforts to break Operation Staunch and improve relations with the Soviet Union were hardly state secrets.<sup>36</sup>

As a result of Khomeini's "open window" policy, Iran renewed ties with the Soviet Union. Throughout 1985, Iran aggressively sought renewed ties with the Soviet Union, using oil and gas deliveries as levers by which to influence Soviet policy (with the implicit goal of influencing Soviet support for Iraq), and signaling the possibility of a softening stance regarding Iranian expectations for the outcome of the Iran-Iraq War.<sup>37</sup> Though this line of negotiation would eventually be sabotaged by the kidnapping of the Syrian charge d'affaires, the revelation of the arms-for-hostages scandal, and political infighting in the Iranian government; the fact that there was a preponderance of evidence for Iran-Soviet rapprochement casts doubt on McFarlane's recollection that there was no evidence to support U.S. fears that the Soviets were better positioned to "exploit or benefit from any power struggle" in Iran.<sup>38</sup>

Recollections aside, by early 1985 the U.S. administration convinced itself that it had to identify a means by which it could exert leverage with Iran. Charged by Reagan with coming up with a solution to the problem, Michael Ledeen met Shimon Peres on 6 May 1985.<sup>39</sup> Ledeen's follow-on meeting with McFarlane, combined with a new CIA SNIE, led to the development of the 1985 draft NSDD, *U.S. Policy toward Iran*, in which McFarlane recommended, among other things, "... to help Iran meet its import requirements. . . This includes provision of selected military equipment as determined on a case-by-case basis."<sup>40</sup> This would eventually result in the provision of the provision of a first shipment of TOW missiles to Tehran from Israel in August of 1985. Though no

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<sup>35</sup> Trita Parsi, *Treacherous Alliance* (New Haven: Yale University Press, 2007): 115.

<sup>36</sup> Shaul Bakhash, *The Reign of the Ayatollahs* (New York: Basic Books, 1984): 258.

<sup>37</sup> *Ibid.*, 261, 263–264.

<sup>38</sup> Trita Parsi, *Treacherous Alliance* (New Haven: Yale University Press, 2007): 117.

<sup>39</sup> *Ibid.*

<sup>40</sup> Robert McFarlane, "Document 60: Draft National Security Decision Directive, "U.S. Policy toward Iran," 17 June 1985," in *The Iran-Contra Scandal: The Declassified History*, ed. Peter Kornbluh and Malcolm Byrne, 225 (New York: The New Press, 1993).

hostages were released as a result of the initial shipment, the second shipment was sent as promised in September, and the first of the quid pro quo hostages, Benjamin Weir, released.<sup>41</sup>

The next major shipment of arms took place on 24 November of 1985, the result of meetings between: Ledeen, Schwimmer, Nimrodi, Kimche, Ghorbanifar, and Hassan Karroubi, brother of Mehdi Karroubi, and supposedly a member of Khomeini's cabinet.<sup>42</sup> The shipment was of 18 HAWK missiles, all of which were to be sent from Israel, for the purpose of improving Tehran's static air defenses against Iraqi high-altitude aircraft. The Iranian army retained officers possessing experience with the HAWK missile system, and were evidently aware of the existence of the I-HAWK program at the time of their request.<sup>43</sup> When the legacy HAWK missile system was sent from Israel to Iran, and the Iranians discovered that they were not sent what was expected, they were reportedly furious.<sup>44</sup> In his testimony to congress in 1987, Lt. Col. Oliver North stated that "the Iranians were saying amongst themselves that the U.S. was 'cheating on them' is the word that was used frequently in the sensitive intelligence."<sup>45</sup> Assuming the "special intelligence" reporting of the Iranian reaction was accurate, it is apparent that the original request for the I HAWK missile system was, in fact, on behalf of the government of Iran, and that any deception or miscommunication was on the part not of the Iranians, but either the U.S. or Israel, or both. Since the Israelis did not have I HAWKs at that time, and since the U.S. negotiator, Ledeen, was not familiar with the HAWK air defense system, it is likely that the miscommunication was, at the very least, the result of ignorance on behalf of the U.S., and possibly the Israelis as well. Attempting to mitigate the potential for risking the lives of the hostages, the U.S. attempted to cut out Israel as the middle-man by establishing a "second channel" to the Iranian government.

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<sup>41</sup> John W. Limbert, *Negotiating with Iran* (Washington D.C.: United States Institute of Peace, 2009): 128, 129.

<sup>42</sup> Trita Parsi, *Treacherous Alliance* (New Haven: Yale University Press, 2007)120, 121.

<sup>43</sup> The Film Archive, "YouTube," *Iran-Contra Hearings Day 23 Part 20: Oliver North Testimony Part 20*, 1897, <http://www.youtube.com/watch?v=Zdeu5xqZgxQ> (accessed July 5, 2010).

<sup>44</sup> Ibid.

<sup>45</sup> Ibid.

The release of Benjamin Weir, and the subsequent releases of Lawrence Jenco and David Jacobsen were offset by the kidnappings of Frank Reed, Joseph Ciccipio, and Ed Tracy. The travel of a joint U.S. and Israeli delegation to Tehran would result in the establishment of a “second channel” going around the Iranian arms dealer Ghorbanifar, but would also provide the necessary publicity to shut down the entire operation. Covert arms deliveries from the U.S., the leverage of hostages, and rapprochement with the U.S. and, potentially, Israel, would all be lost as a result of making the trilateral relationship public through the disclosure of the Tehran trip to a Lebanese news agency. Various factions within each country stood to gain from such a disclosure; but the blame for disclosure appears to fall on a faction allied with Ayatollah Montazeri who, at the time, was increasingly critical of Khomeini even though he was the heir apparent as the next supreme leader.

Though there is little information available from the Iranian side regarding the identity of the principals, and their motivations and expectations; much can be gleaned through the examination of the extensive records of testimony and documentation released as a result of the Walsh investigation. It is apparent through multiple sources that there were multiple factions in Iran, and the U.S. government was not only aware of the internal factionalism at the time, but considered such factionalism an existential threat to the Khomeini regime.<sup>46</sup> Combining declassified U.S. intelligence reporting with historical accounts of post-revolutionary Iran under Khomeini, one can piece together a picture of the Iranian government’s role and perspective in the arms-for-hostages scandal.

Factionalist infighting manifested itself in a direct challenge from Majles (Iranian Parliament) conservatives to Khomeini in 1985 during the confirmation of Prime Minister Musavi. Despite eventually gaining the approval of the Majles, he faced staunch opposition to his cabinet nominees.<sup>47</sup> Further, once approved, Musavi’s perennial political rival, Khomeini, attempted to remove Musavi as Prime Minister with

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<sup>46</sup> NESAS, *Iran: Prospects for Near-Term Instability*, Office of Near Eastern and South Asian Analysis, Directorate of Intelligence, CIA (Washington D.C.: CIA, 1985), 3–4.

<sup>47</sup> Mehdi Moslem, *Factional Politics in Post-Khomeini Iran* (Syracuse: Syracuse University Press, 2002): 65–66.

the support of the factionalist allies of Ayatollah Azeri-Qomi.<sup>48</sup> According to CIA reporting earlier that year, Qomi began a campaign against the selection of Montazeri as the next Supreme Leader, and Qomi and Ayatollah Khoi both took public positions opposing Khomeini's continued prosecution of the Iran-Iraq War, calling it "un-Islamic."<sup>49</sup> By the end of 1985, according to Moslem, "factional conflict was reaching dangerous levels" requiring Khomeini's direct and public intervention; the following year, however, the infighting would overflow into Iran's foreign policy arena.

Thus, at least three different factions with different domestic and foreign policy agendas were engaged in a power struggle within the Iranian political establishment. These factions are variously identified as liberals, moderates, and conservatives, though these shorthand identifications translate poorly when applied to Iran in the era of Khomeini. The liberals were strong supporters of the export of the revolution, Hezbollah, and the position of maintaining hostages as leverage against the U.S. and Western European countries. The conservatives, represented by Azeri-Qomi, were against both the export of the revolution and the taking of hostages, and by 1985 had come out strongly against the war with Iraq, as noted above. The moderates, represented by Rafsanjani and Khomeini, consistently sought engagement with the West, to include the U.S., as a means by which to address Iran's foreign and domestic policy problems. When Rafsanjani used proxies to seek out a means by which to engage the U.S. in order to buy weapons in exchange for hostages, he did so with the approval of Khomeini and the knowledge, if not the agreement of, Prime Minister Musavi.<sup>50</sup> It was under the authority and with the cooperation of Ayatollah Montazeri and his protégé, Mehdi Hashemi that the Iranian side of the arms-for-hostages scandal was executed.

Mehdi Hashemi, as the leader of the *Office of Islamic Liberation Movements* was in a unique position to both formulate and execute foreign policy for the Islamic Republic, particularly as it related to Lebanon. Overstepping his bounds, however, he

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<sup>48</sup> Mehdi Moslem, *Factional Politics in Post-Khomeini Iran* (Syracuse: Syracuse University Press, 2002): 66.

<sup>49</sup> NESA, *Iran: Prospects for Near-Term Instability*, Office of Near Eastern and South Asian Analysis, Directorate of Intelligence, CIA (Washington D.C.: CIA, 1985), 3-4.

<sup>50</sup> John W. Limbert, *Negotiating with Iran* (Washington D.C.: United States Institute of Peace, 2009): 130.

attempted to discredit his political opponents by leaking information on the American delegation's trip to Tehran.<sup>51</sup> As the leader of the *Office of Islamic Libration Movements*, he was in a unique position of power with respect to Hezbollah, and deeply involved in Iranian oversight of Hezbollah's operations, specifically with respect to hostage-taking operations. Formally under the auspices of the IRGC, Hashemi in fact was accountable to Ayatollah Montazeri, and his office was largely autonomous. This turned out to be a double-edged sword. Autonomy gave him freedom to accomplish his mission with little outside interference, but also caused him to be an outsider with respect to the mechanics of the decision-making processes within the political hierarchy. Thus, his attempts at political maneuvering backfired when, in an effort to discredit Rafsanjani, he inadvertently took on Khomeini instead.

While the arms-for-hostages scandal is generally dismissed as a case in which the Iranians, locked on their desire for arms, failed to "think big" with respect to broader engagement with the U.S., it is not possible to make that determination based on the available historical evidence.<sup>52</sup> Khomeini's "open window" policy certainly held out the hope of broader engagement. Rafsanjani, throughout the 1980s, sought engagement with the U.S. as well. The pace at which the Iranian political establishment moved may not have been sufficient to see any progress on rapprochement, but there were certainly indications of forward progress. Despite the fact that three more hostages were taken for the three released, the likelihood that internal power struggles accounted for the additional hostage-taking was obvious, given the tenor of CIA reporting at the time. The leaking of McFarlane's visit to Tehran that led to the compromise of secret negotiations between Iran and the U.S. collapsed all hopes of rapprochement. The disclosure was clearly the result of a factional struggle between Rafsanjani's burgeoning modernist conservatives and the Islamic left of Montazeri and Musavi, but factionalism does not account for the whole of Iran's hostage policy agenda.

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<sup>51</sup> John W. Limbert, *Negotiating with Iran* (Washington D.C.: United States Institute of Peace, 2009): 136n. Summary of Abrahamian, *Tortured Confessions*, 162–163. Abrahamian claims that Mehdi Hashemi was executed for leaking the McFarlane visit to the Lebanese weekly, *Al-Shiraa*.

<sup>52</sup> *Ibid.*, 138.

## **B. THEORETICAL EXPLANATIONS**

Realist, ideological, factional, constructivist, and two-level game theory explanations for the Lebanese Hostage Crisis are not equally satisfactory. Factional and two-level game theory explanations are internally coherent. Realist and ideological explanations do not line up neatly with the historical evidence, and the preponderance of evidence lines up against constructivist arguments. In the competition for which theory best explains Iran's foreign policy, therefore, factionalist and two-level game theoretic explanations are each satisfactory for this historical example.

The realist explanation of the Hostage Crisis addresses Iran's asymmetric approach to balance regional threats—specifically, Iraq and the U.S. By taking Western hostages using a proxy, Iran was able to defeat the MNF, of which the U.S. was a part, while maintaining plausible deniability of its involvement. Further, it was able to use its influence over Hezbollah as a means by which to broker arms-for-hostages deals with the U.S., as well as gain concessions from France and Germany. The weapons deals with the U.S. proved to be critical in off-setting superior Iraqi armor and air assets during Iran's southern offensives in 1987.

The realist explanation does not, however, address Iran's motivations for exposing the arms-for-hostages scandal, nor does it explain, if the goal was gaining access to U.S. weapons in order to defeat the existential threat of Iraq, why Iran did not take advantage of the McFarlane visit in order to establish a new rapprochement with the U.S. Iran did try to continue the arms-for-hostages swaps after the exposure of the scandal, reflecting a strong realist strain within the government. The elements of the government that successfully sought to sabotage that effort, however, lead one away from realism as a practical explanatory model.

Ideological explanations for the Hostage Crisis address the motivations of forcing the withdrawal of the MNF and gaining concessions (arms-for-hostages) in order to fight Iraq. Each case, in some way, meets an ideological objective. The expulsion of the MNF from Lebanon meets the ideological goal of spreading the revolution, while the arms-for-hostages meets the goal of gaining weapons in order to fight Iraq. The weapons

concessions, however, are problematic, in that they involved gaining weapons through Israel in order to fight Iraq. This was difficult, at the very least, to justify ideologically. Rafsanjani himself claimed that no weapons came from Israel, and if they did, they would not be used.<sup>53</sup> Not only was this not the case for the arms-for-hostages scandal, it did not begin to cover Iran's direct secret arms deals with Israel from 1980 until Operation Staunch in 1983. Ideological explanations of the Hostage Crisis are, therefore, not satisfactory.

Factional explanations for the Hostage Crisis address the motivations behind the revelation of the scandal. Radical leftists, internally factionalized, had operational control over Hezbollah's activities in Lebanon, as well as over the IRGC in Tehran. The senior Iranian government representative directing all IRGC activities from Syria was Ali Akbar Mohtashamipour, through whom Rafsanjani had to go directly in order to communicate with Hezbollah.<sup>54</sup> Subordinate to him, Mehdi Hashemi, supported by Ayatollah Montazeri (who would grow ideologically apart from Khomeini resulting in his dismissal in 1989), was responsible for the leak of the arms-for-hostages deals to the newspapers in 1986. The leftist factions were ideologically opposed to the arms-for-hostages deals, which they knew were facilitated by the Israelis.<sup>55</sup> Thus, seeking to expose and halt the deals, while simultaneously embarrassing their political rivals; the leftists severely overstepped their political boundaries, resulting in Hashemi's execution, and putting Montazeri on the path towards political exile. The pragmatic faction of the Iranian government, represented principally by Rafsanjani, was responsible for instigating the arms-for-hostages deals at the behest of Khomeini, which explains both why the senior leftists went along with the program for so long, and the need for extreme secrecy, which was eventually violated by one of their own. Factional explanations, in the end, provide a relatively comprehensive explanation for the Lebanese Hostage Crisis.

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<sup>53</sup> Trita Parsi, *Treacherous Alliance* (New Haven: Yale University Press, 2007): 125.

<sup>54</sup> Ibid.

<sup>55</sup> Lawrence E. Walsh, *Final Report of the Independent Counsel for Iran/Contra Matters*, United States Court of Appeals for the District of Columbia Circuit, Independent Counsel ([http://www.fas.org/irp/offdocs/walsh/part\\_i.htm](http://www.fas.org/irp/offdocs/walsh/part_i.htm), 1993).

Constructivism fails to address the hostage crisis in any meaningful way. Cultural ties between Lebanon and Iran and the common ideological mandate to continue the Islamic revolution provides an excellent explanation for Iran's involvement in Lebanon, but fails when hostage taking—presumably serving the ideological purpose of convincing foreign governments to get out of Lebanon—is used instead to serve Iran's interest in weapons procurement. The actions of the government of Iran, as they pertain to the hostage crisis, demonstrate a willingness to discard religious and cultural values in the pursuit of their national interest.

Two-level game theory provides a reasonable explanation for the hostage crisis by combining a factionalist explanation with a realist explanation, each of which is addressed in detail, above. The combination of the two results in a realist foreign policy agenda bound by the realities of internal political struggle. This accurately describes the Iranian government's approach to the Hostage Crisis, particularly given the government's desire to continue with the exchanges despite their public revelation.

The politics of the radical left naturally dominated revolutionary discourse through the early 1980s. The Iraqi attack on the new regime galvanized this political radicalism, particularly among the armed forces, the IRGC, and Office of Liberation Movements, where radical leftist clergy dominated the leadership. Trapped by an ideological discourse that was increasingly isolationist, and a war that was going badly, the leadership of the radical left—especially Khomeini—sought an ideologically justifiable alternative to continued isolation in order to salvage the war effort. Hitting upon the “open window” policy, he designated the pragmatist Majles speaker as his ambassador to the world in order to attempt to gain access to international weapons markets.

Rafsanjani's approach to the issue was simple. The problem with the international weapons markets was that they were blocked by the U.S., which had enacted Operation Staunch in an effort to limit the supply of arms to Tehran. The solution to Operation Staunch, therefore, was to go to the U.S. directly. With Khomeini's political cover against the radicals, Rafsanjani was able to leverage Iranian influence (through the leftist factions) with Hezbollah in order to entice the U.S. into making a weapons deal. The

radical leftist factions of Montazeri and Musavi would cooperate, as they were insulated from the deals by Rafsanjani's involvement, and it provided a solution to the very real wartime problem with Iraq.

If the government of Iran wanted to keep U.S. involvement quiet, it was extremely sensitive about any public disclosure of Israeli involvement, as mentioned above. When the first shipment of HAWK missiles arrived in Iran in 1986 with the star of David emblazoned on them, the Iranians demanded that they be returned.<sup>56</sup> Additionally, the missiles turned out to be the wrong kind—Iran had requested (improved) I-HAWK missiles, but the missiles they received were the older version. Oliver North in his congressional testimony stated that according to the special intelligence he received about the blunder, he became concerned for the lives of the hostages.<sup>57</sup> The hostages were not executed, however, and Prime Minister Musavi suspected Rafsanjani's contacts, who executed the deal, of foul play—not the U.S. and Israel.<sup>58</sup> In reality, the foul-up on the type of weapon was probably the result of the fact that the negotiators on the U.S. side did not know anything about the missiles being requested, and the U.S. had not yet sold I-HAWK technology to the Israelis, who supplied Iran as an intermediary from their stockpile.

Similar to Putnam's model describing the Bonn Summit, in order for the arms-for-hostages scandal to have occurred at all, both Iran and the U.S. needed to engage in some amount of ideological compromise.<sup>59</sup> The U.S. compromised the policy of not making deals for hostages through a weak argument about Soviet influence in Iran. The U.S. administration further allowed itself to be convinced by Iranian negotiators that short-term arms deals would lead to long-term rapprochement. Iranian foreign policy on

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<sup>56</sup> Lawrence E. Walsh, *Final Report of the Independent Counsel for Iran/Contra Matters*, United States Court of Appeals for the District of Columbia Circuit, Independent Counsel ([http://www.fas.org/irp/offdocs/walsh/part\\_i.htm](http://www.fas.org/irp/offdocs/walsh/part_i.htm), 1993).

<sup>57</sup> The Film Archive, "YouTube," *Iran-Contra Hearings Day 23 Part 20: Oliver North Testimony Part 20*, 1987, <http://www.youtube.com/watch?v=Zdeu5xqZgxQ> (accessed July 5, 2010).

<sup>58</sup> John W. Limbert, *Negotiating with Iran* (Washington D.C.: United States Institute of Peace, 2009): 130-131.

<sup>59</sup> Robert D. Putnam, "Diplomacy and Domestic Politics: The Logic of Two-Level Games," *International Organization* (MIT Press) 42, no. 3 (Summer 1988): 427-460.

the hostage issue was determined according to a series of interrelated decisions and events that worked against factionalist public ideology, but in favor of their private aims. Leftist factionalists allowed Khomeini and Rafsanjani to solve the problem of weapons procurement, and provided secret cooperation in the form of releasing hostages, and accepting and verifying weapons deliveries.

Had the leftist factions not sponsored Hezbollah's taking of U.S. hostages to begin with, none of these deals would have been possible. This prerequisite met, along with the need for weapons in order to continue to fight Iraq, it created an opportunity for the pragmatist faction to set up the arms deals. The U.S. needed leverage in order to secure the release of the hostages, but could not simply exchange arms for hostages without some sort of political cover, however weak that might be. Pragmatist assurances of internal dissent among the ruling clergy in Iran provided the necessary rationale, which had the added benefit of being true, according to both public accounts and secret CIA assessments.<sup>60</sup> These interrelated events provided both Iran and the U.S. with the necessary pressures and justifications to move ahead with the arms-for-hostages deal, and demonstrate the effectiveness of two-level game theory as an explanation for the ensuing scandal.

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<sup>60</sup> NESAs, *Iran: Prospects for Near-Term Instability*, Office of Near Eastern and South Asian Analysis, Directorate of Intelligence, CIA (Washington D.C.: CIA, 1985).

### III. IRANIAN SUPPORT TO HEZBOLLAH

The roots of Iran's support to Hezbollah predate the founding of the organization. Allies of Ayatollah Khomeini trained with Shia paramilitary organizations sponsored by Syria in both Lebanon and Damascus in the 1970s.<sup>61</sup> By the time of the Islamic Revolution, the cultural, religious, and ideological ties established between Iranian and Lebanese Shia clergy in Najaf were galvanized by Iranian support to Lebanese Shia organizations during Lebanon's civil war, which began in 1975. Forming Hezbollah as an umbrella organization for Shia political and paramilitary activity in 1982, Iran's IRGC and Office of Islamic Liberation Movements paved the way for unprecedented levels of cooperation between Lebanese Shia paramilitaries and the new theocratic regime in Iran.

Realist explanations for Iranian support to Hezbollah focus on Iran's adoption of asymmetric military capabilities in order to bolster its security position. Ideological and constructivist explanations address historical and ideological ties between the Shia of Iran and Lebanon, while factionalists use these ideological splits as a means for identifying underlying factional differences between rival groups vying for power in Iran. Two-level game theory combines both factionalist and realist explanations as factors going into a negotiated process with Iran's Hezbollah policy as its outcome.

#### A. HISTORY

The history of Shia ties between Iran and Lebanon goes back to the Safavid Dynasty, but the history of the radicalization of Shia politics that led to the formation of Hezbollah can be attributed to five key historical events of the 1970s and 80s.<sup>62</sup> According to Esposito, these key events were the civil war in Lebanon, the disappearance of Musa Sadr, Israel's invasion of Lebanon, the revolution in Iran, and the disproportionate representation afforded the Shii of Southern Lebanon. Sadr's (likely)

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<sup>61</sup> Moshe Ma'oz, *Syria and Israel: From War to Peacemaking* (New York: Clarendon Press, Oxford, 1995): 187.

<sup>62</sup> John Esposito, *Islam: the straight path* (New York: Oxford University Press, 2005): 188. These five points are taken from Esposito's discussion of the radicalization of Shii politics in Lebanon in the 1970s and 1980s, resulting in the formation of Hezbollah.

death inflamed support for the Movement for the Deprived and Amal. Israel's invasion of Lebanon was initially welcomed by the Shia. They would soon turn against Israel, however, as a result of continued occupation and heavy-handedness in dealing with the local population. Iran's successful Islamic revolution combined with the influx of radicalized clerics expelled from Najaf by Saddam Hussein, providing an "Islamic alternative" to nationalism and secularism. This, and the unrest of the civil war, created the ideal circumstances for Iran to experiment with the exportation of its revolution.<sup>63</sup>

Esposito's list leaves out at least two key historical events that worked to Iran's advantage. The first was the departure of the PLO from Lebanon, reinforcing the perception of the failure of Arab nationalism, and providing fertile ground for the use of Islam as the rallying ideology for combating imperialism. The second event was the assassination of Muhammed Baqir al-Sadr in 1980. The injustice of this action resonated with many Shia, increased support for *Dawa*, already popular among the clerics recently expelled from Iraq, and served as yet another symbol of the injustice represented by nationalists, in sharp contrast to the perception of the inherent justice and solidarity represented in and by the actions of Iran.

Ignored, however, in this narrative is the fact that the alliance between Iran with the Lebanese Shia was facilitated by Asad's Baath regime. Asad had tried to establish an alliance with the Shah against Israel and Iraq in the mid 1970s. Failing to accomplish his goals, he wisely reached out to the Iranian opposition with the assistance of Musa Sadr and by the late 1970s was providing training to opposition figures allied with Khomeini in the Bekaa Valley.<sup>64</sup> Asad's efforts paid off handsomely, as this Iranian leadership cadre returned to Lebanon to form Hezbollah, while paying more than one million tons in oil per year to Syria for the privilege.<sup>65</sup>

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<sup>63</sup> Magnus Ranstorp, *Hizb'aallah in Lebanon: The Politics of the Western Hostage Crisis* (New York, NY: St. Martin's Press, 1997): 30.

<sup>64</sup> Moshe Ma'oz, *Syria and Israel: From War to Peacemaking* (New York: Clarendon Press, Oxford, 1995): 187.

<sup>65</sup> Shaul Bakhash, *The Reign of the Ayatollahs* (New York: Basic Books, 1984): 262.

Sending several hundred IRGC officers to Ba'albak in Lebanon with the support of Syria, Iran launched an ambitious and wide-ranging program to transform the disparate Shia political groups within Lebanon into a unified paramilitary and political organization, capable of enforcing law and protecting the Shia population within its territory. Taking on the enemy of imperialist oppression, the new organization sought the imposition of a new political order under the guidance of Sharia, and to expel imperialist aggressors, to include Israel and, later, the Multinational Forces under the auspices of the U.N.

The initial deployment of 800 IRGC personnel to Lebanon took place in 1982 under the supervision of Mohsen Rafiqdust.<sup>66</sup> Rafiqdust, was one of the many senior IRGC commanders with previous experience in Lebanon.<sup>67</sup> Mohsen Rezai, the Supreme Commander of the IRGC, also trained in Lebanon and Syria with the PLO and Amal.<sup>68</sup> The ties between the senior leadership in Iran and the radical movements in Lebanon were, in fact, deeply entrenched. As the IRGC leadership had extensive ties to Lebanon, so did the clerical establishment in Lebanon possess extensive ties to the clerical leadership in Tehran via Najaf. These ties would manifest themselves in a variety of ways throughout the 1980s and 1990s, perhaps most strikingly as the Islamic Republic navigated its own factionalist crisis.

The IRGC, in the meantime, worked to establish its position in Lebanon. Sending the bulk of its advisors initially to Ba'albek, IRGC forces then dispatched smaller elements throughout the rest of the Bekaa Valley, Beirut, and southern Lebanon. Avoiding direct confrontation, however, was a key factor for the IRGC.<sup>69</sup> By avoiding direct combat in Lebanon, Iran could maintain deniability with respect to its use of Hezbollah as a proxy for Iranian-directed actions in Lebanon, particularly as Iranian and

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<sup>66</sup> Magnus Ranstorp, *Hizb'aallah in Lebanon: The Politics of the Western Hostage Crisis* (New York, NY: St. Martin's Press, 1997): 34.

<sup>67</sup> Augustus Richard Norton, *Hezbollah* (Princeton, NJ: Princeton University Press, 2007): 32.

<sup>68</sup> Wilfried Buchta, *Who Rules Iran? The structure of power in the Islamic Republic* (Washington D.C.: The Washington Institute for Near East Policy, 2000): 67–68.

<sup>69</sup> Magnus Ranstorp, *Hizb'aallah in Lebanon: The Politics of the Western Hostage Crisis* (New York, NY: St. Martin's Press, 1997): 34.

Lebanese foreign policy objectives overlapped. Military advisors provided training to indigenous combat forces, while Iranian clergy worked with local clergy to establish an Iranian vision of the Islamic Republic in those parts of Lebanon under Hezbollah's control.

The IRGC was ostensibly responsible for the activities of the Office of Liberation Movements, however in reality the office was largely autonomous. As mentioned in the previous chapter, Mehdi Hashemi was primarily accountable to Ayatollah Montazeri—a luxury that afforded him the ability to act decisively outside formal government channels, such as they were, but also insulating him from political realities of which he should have remained aware. The period of 1982 to 1986, however, saw the Hashemi's office, build up an unprecedented capability to conduct highly coordinated and completely deniable operations against Iran's enemies using Hezbollah proxies.

The mechanisms by which the IRGC conducted the operations that led to the departure of the U.N. Multinational Forces from Lebanon are not well understood, but several accounts have been offered from various sources. Former CIA officer Robert Baer offers an account in which an IRGC officer by the name of Shaykh Hossein recruits Imad Mughniyah in 1982.<sup>70</sup> According to this account, Shaykh Hossein recruits Mughniyah on the understanding that all communications would be handled face-to-face, and operational financing would likewise be handled in cash. Baer's account further states that the agreement specified that all operations would be explicitly approved by the IRGC and Iran's Supreme Leader.<sup>71</sup> The assumption that the activities of Imad Mughniyah's Islamic Jihad were thinly veiled attempts at hiding Hezbollah—and Iran's—involvement has come to be conventional wisdom. If this account is correct, however, it offers some insight as to how directly and specifically the government of Iran was involved.

Regardless of the mechanistic details, it is generally assumed that many of Hezbollah's operations, particularly those executed under the name Islamic Jihad, were

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<sup>70</sup> Robert Baer, *The Devil We Know* (New York: Crown, 2008): 59–64.

<sup>71</sup> *Ibid.*, 64–65.

specifically sanctioned by the government of Iran. There is extensive evidence to support this claim. First, there is Iran's ability to influence ongoing operations conducted by either Islamic Jihad or other groups associated with Imad Mughniyah, such as the hijacking of TWA Flight 847.<sup>72</sup> Both Rafsanjani and Iranian Foreign Minister Velayati ordered Iran's Ambassador to Syria, Ali Akbar Mohtashamipour, to direct Hezbollah to end that hijacking operation.<sup>73</sup> Next, there is evidence from the release of hostages during the course of the arms-for-hostages scandal. Not only were at least some of the hostages released as a result of the U.S. arms deliveries, there is evidence from congressional testimony that the U.S. was collecting intelligence to confirm Iran's intention to direct the release of the hostages (or, for that matter, direct their execution).<sup>74</sup> Last, there are these words, echoing those of the Islamic Republic:

We, the sons of Hezbollah's nation, whose vanguard God has given victory in Iran and which has established the nucleus of the world's central Islamic state, abide by the orders of a single wise and just command currently embodied in the supreme Ayatollah Ruhollah al-Musavi al-Khomeini, the rightly guided imam who combines all the qualities of the total imam, who has detonated the Muslim's revolution, and who is bringing about the glorious Islamic renaissance.<sup>75</sup>

These words unambiguously declare the status of the government of Iran in Hezbollah's institutional order. Iran, however, despite such a declaration, could always maintain that while it has no operational control over Hezbollah, it may perhaps wield some influence.

The death of Khomeini, the revision of the Iranian constitution, and Iraqi invasion of Kuwait, all affected Iranian foreign policy and its relationship with Hezbollah. Nonetheless, the core interests of both Hezbollah and Iran remained remarkably stable throughout this period of intense transition. Rafsanjani, elected as Iran's new president,

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<sup>72</sup> Robert Baer, *The Devil We Know* (New York: Crown, 2008): 79–80.

<sup>73</sup> Trita Parsi, *Treacherous Alliance* (New Haven: Yale University Press, 2007): 115. Parsi states that Israeli intelligence intercepted communications between Rafsanjani and Mohtashamipour while the former was enroute from Tunisia.

<sup>74</sup> The Film Archive, "YouTube," *Iran-Contra Hearings Day 23 Part 20: Oliver North Testimony Part 20*, 1987, <http://www.youtube.com/watch?v=Zdeu5xqZgxQ> (accessed July 5, 2010).

<sup>75</sup> Augustus Richard Norton, *Amal and the Shia* (Austin: University of Texas, 1987): 168. Translation of an open letter from Hezbollah, 16 Feb, 1985.

brought his agenda of engagement as the means by which to revitalize Iran's economy and rejoin the "world community." The selection of Khomeini as Khomeini's successor, and Rafsanjani's ascendance to the new, constitutionally strengthened presidency, marginalized the leftist factions and would eventually lead to a complete reshuffling of Iran's system of political alliances. As the 1980s came to a close, however, Iran was still fighting a war with Iraq, the Dawa 17 were still held in Kuwait, and Hezbollah still held Western hostages in Lebanon.

The arms-for-hostages scandal led to the transfer of the Office of Liberation Movements from the IRGC to the Foreign Ministry.<sup>76</sup> This allowed Rafsanjani to better control the direction given to Hezbollah by the government of Iran. Subsequent to the move, Mehdi Hashemi was put to death. Despite these changes, in the wake of the arms-for-hostages scandal Hezbollah continued to take hostages, calling for the release of the Dawa 17 as well as Hezbollah operatives held in French and German prisons. Additionally, underscoring the importance of the Dawa 17, Hezbollah hijacked yet another airline seeking their release in 1988. Further, the kidnapping of Jack Mann in response to the United Kingdom's protection of Salmon Rushdie demonstrated that despite institutional moves to put Hezbollah under the control of the "pragmatist faction" of Rafsanjani, neither Hezbollah nor Iran had abandoned the ideology of the Islamic Revolution.

The death of Khomeini and appointment of Khomeini as the new Supreme Leader led to the 1989 constitutional revision. Khomeini had to contend with a far more powerful president in Rafsanjani as a result of the new constitution. Allying with revolutionary hardliners provided him with legitimacy and allowed him to begin to grow a substantial political base independent of Rafsanjani. To that end, Khomeini sought to establish greater ties with "legitimate" revolutionary clerics as Rafsanjani restructured official government ties to Hezbollah. Further, with the end of the civil war in Lebanon, and changes to the international security environment as it pertained to both Iran and Syria, it became clear that the role of Hezbollah, if not its very existence, was in question.

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<sup>76</sup> Magnus Ranstorp, *Hizb'aallah in Lebanon: The Politics of the Western Hostage Crisis* (New York, NY: St. Martin's Press, 1997): 99.

This supplied the context in which Hezbollah entered the 1990s. The end of Lebanon's Civil War and the Iran-Iraq War, the Iraq invasion of Kuwait, and the subsequent release of the Dawa 17 rendered hostage taking and terrorism against Western targets in Lebanon moot. The cost of such operations was no longer commensurate with the perceived benefit. The principals—Iran, Syria, and Hezbollah—therefore agreed on a plan for releasing the remaining hostages, and transitioning Hezbollah into a more recognizably political organization focused on Israeli resistance.<sup>77</sup>

The assassination of Hezbollah's newly elected Secretary General, Abbas al-Musawi, in 1992 by Israel led to retaliation by Hezbollah, and the election of Hassan Nasrallah as the new Secretary General.<sup>78</sup> Both Hezbollah's retaliatory attack and Nasrallah's close ties to the former Iranian Ambassador to Syria, Mohtashamipur, were no doubt unintended and unwelcome consequences of the assassination. The ironic result, however, was to undermine Rafsanjani's painstaking attempts to bring Hezbollah under the control of pragmatic elements of the Iranian government. Instead, the election of Nasrallah inadvertently reestablished the same line of communication Rafsanjani and Khomeini eliminated in 1986.

Thus, even though Hezbollah successfully participated in the 1992 elections, marking a new era of participatory politics with the blessing of Iran, Hezbollah maintained its unconventional paramilitary capabilities and did not shy away from using them—such as in retaliation for Musawi's assassination. Maintaining Hezbollah, therefore, proved advantageous to Iran for a variety of reasons. It provided a deniable, world-wide paramilitary capability, friendly territorial access to a key strategic region, acted as a respectable, legitimate, political force in an Arab country, and, in 1991, provided a means by which Iran could establish ties with the most important up-and-coming Palestinian resistance movement— Hamas.

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<sup>77</sup> Magnus Ranstorp, *Hizb'aallah in Lebanon: The Politics of the Western Hostage Crisis* (New York, NY: St. Martin's Press, 1997): 104–106.

<sup>78</sup> Magnus Ranstorp, *Hizb'aallah in Lebanon: The Politics of the Western Hostage Crisis* (New York, NY: St. Martin's Press, 1997): 107. Hezbollah's attack on the Israeli Embassy in Buenos Aires killed 30 and injured 252. Islamic Jihad took responsibility for the attack and named the operation, "The Martyr Child Hussein" after Musawi's son (Ranstorp, 107).

Iran's anti-Israel policy was, in part, what led it to maintain ties with Hezbollah. Furthering that agenda, following the first intifada, Israel expelled 415 Hamas members to Lebanon, where Hezbollah was standing by to receive them as brothers-in-arms.<sup>79</sup> Taking advantage of the opportunity to establish extensive ties with Hamas, Iran offered weapons, training, and money. By 1999, the Iranian Foreign Minister stated publicly that, "Iran is the main supporter of Hamas and Hezbollah in their struggle against Israel."<sup>80</sup>

## **B. THEORETICAL EXPLANATIONS**

Realist, ideological, factional, constructivist, and two-level game theory explanations for Iran's support to Hezbollah each successfully address aspects of Iran's foreign policy. Realist explanations deal with Iran's effort to bolster its regional position by expelling regional threats and gaining a strategic foothold against Israel in Lebanon. Ideological explanations address Iran's commitment to Islamic solidarity and the spread of the revolution. Factionalist explanations address anomalies relating to internal political disputes between pragmatic and leftist elements within the clerical hierarchy. Constructivist explanations similarly address the historical ties between the clergy of Iran and Lebanon and take into account unifying factors of shared cultural and religious identity. Two-level game theory explains Iranian support to Hezbollah as a complex iterative process in which multiple explanatory factors play a part at both domestic and international levels. Each explanation has explanatory strengths, but they also have weaknesses, and in the end, two-level game theory is the only one with the flexibility to accommodate all of Iran's disparate positions with respect to their support for Hezbollah.

Realist explanations of Iran's support to Hezbollah focus on Iran's intention to export its revolution; thereby strategically extending its influence in the direction of Iran's only regional peer, Israel. . Further, a cursory analysis of demographic trends illustrates that long-term alliance with Israel is less likely to ensure Iran's security than

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<sup>79</sup> Robert Baer, *The Devil We Know* (New York: Crown, 2008): 172.

<sup>80</sup> Quoted from: Ray Takeyh, *Guardians of the Revolution* (New York: Oxford University Press, 2009): 174.

multiple alliances with Arab states. Iran cleverly redefined the basis for regional alliances in terms of religion (as opposed to ethnicity) and set about demonstrating the effectiveness of an “Islamic” alliance against Israel and “imperialist” forces. Hezbollah, therefore, not only served the function of establishing a strategic ally on Israel’s northern border but provided a template to follow with other Arab states.

Ideological explanations account for Iran’s decision to send IRGC elements and clerical ambassadors to Lebanon in an effort to export the revolution, fight Israel, and expel the MNF. The transition of Hezbollah to politics and social welfare, in addition to their traditional paramilitary role, in the 1990s, however, begins to detract from strict ideological explanations for Iran’s support to Hezbollah. If the goal of Hezbollah was the export of the revolution and the establishment of an Islamic state mirroring that of the Islamic Republic of Iran, then Hezbollah’s participation in Lebanon’s confessional system of government was an abandonment of that cause. Ideological explanations of Iran’s support to Hezbollah, therefore, ultimately fall flat.

Factional explanations for Iran’s support to Hezbollah account for both the immediate support of the radical left. Such explanations also account for the nature of Iranian support to Lebanon from the early 1980s. Extensive contact with radical leftist clerics in the 1970s in both Iraq and Lebanon led to relations that were disproportionately balanced towards paramilitary organizations. As the leftist clerics with experience and training in Lebanon found post-revolutionary political roles in the IRGC and the Office of Liberation Movements, those organizations became disproportionately well represented in Lebanon. By the 1990s, the ascendance of the pragmatist faction of Rafsanjani ushered in a new era of realism, paving the way for acceptance of Hezbollah’s participation in Lebanon’s confessional political system. Thus, factional explanations fit the history of Hezbollah’s development in Lebanon fairly accurately.

Constructivist explanations of Iran’s support to Hezbollah possess the same failings of the ideological explanations, but with fewer fatal flaws. Cultural imperatives include religion, but are not necessarily limited by religious ideology. Iran’s long history of religious and multicultural tolerance goes a long way towards explaining how the ideologically uncompromising Islamic Republic could allow Hezbollah to participate in

confessional politics. Unfortunately, it also explains how Iran could be completely opposed to the same. Within Iran's cultural identity reside multiple contradictory tendencies, which can only be worked out in the context of real-world events. As an explanatory model, constructivist explanations may provide some insight after the fact, but fails to offer any predictive capability.

Two-level game theory offers the greatest degree of explanatory fidelity regarding Iran's support to Hezbollah. Treating Iran's support to Hezbollah as an iterative process in which multiple players are involved, and each decision affects each subsequent decision, provides both the flexibility and necessary complexity to establish a sufficiently complete explanation for Iran's Hezbollah policy.

The domestic and foreign policy interests of Israel, Iran, Syria, and Hezbollah merged in such a way as to allow each entity to use the participation of each other in order to justify their actions. Rafsanjani's pragmatic government, otherwise averse to international terrorism, supported Hezbollah's retaliation against Israel's assassination of Musawi. Israel's actions not only demanded a response—it guaranteed it by re-establishing long-standing ties between Hezbollah and the radical leftist clerical factions in Iran. Iran's Hezbollah policy began as a result of several factors alluded to in the ideological explanation. Common experience provided the groundwork of personal relationships and ideological commonality between the Iranian revolutionary clergy and many of the clergy in Lebanon. Further, Asad's bet on the future clerical regime and facilitation of Iranian/Lebanese relations contributed to Iran's future foreign policy.<sup>81</sup> In contrast to any possible ideological or constructivist explanation, however, this critical alliance between Syria, Iran, and Lebanon not only survived the Hama massacre, but the Iranian regime publicly supported Asad's actions. As the alliance continued, roles shifted as a result of the decisions made by each interested party on behalf of not only national interest, but domestic politics and the secondary and tertiary effects of political decisions on the alliance.

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<sup>81</sup> Moshe Ma'oz, *Syria and Israel: From War to Peacemaking* (New York: Clarendon Press, Oxford, 1995): 187.

#### **IV. IRAN'S ANTI-ISRAEL POLICY**

Iran's anti-Israel policy has a complex history. From the beginning of the revolution, this policy was foundational, yet also abandoned for the purposes of expediency. During the early 1980s, when Iran desperately needed weapons in its fight against Iraq, Israel was its secret supplier. In the mid-1980s, Israel once again stepped in as the principal agent for Iran in acquiring U.S.-made weapons for the war with Iraq. Anti-Israel rhetoric aside, Iranian activity against Israel was limited primarily to military targets until the early 1990s. Embracing Palestinian rejectionists beginning in 1992, Iran assumed the mantle of the Palestinian cause, softening its revolutionary rhetoric of spreading the Islamic revolution in favor of standing up to Israeli and Western aggression. Welcoming the change in tone, Iran's neighboring Arab states renewed diplomatic relations with the Shia state. Rafsanjani, Iran's new president, then began a process of decreasing Iranian support to both Hezbollah and the Palestinians in an effort to improve ties with the West and rebuild Iran's economy.

Realist explanations of Iran's anti-Israel policy convincingly describe Iran's shifting foreign policy in terms of gaining the support of Arab states to off-set the threat from Israel, as well as its subsequent move away from the anti-Israel policy in order to improve relations with the West. Neither ideological nor constructivist arguments address these shifts in a meaningful way. Factionalist explanations attribute these foreign policy shifts less to the imperatives of international relations and more to the domestic goals of Rafsanjani and his modernist right faction, the Kargozaran. Two-level game theory uses both explanations, as well as the interactions of Israeli and American foreign policy, to fill in explanatory gaps left by each, such as why Khatami would risk détente with the U.S. by sending weapons to the Palestinian Authority (discussed, below), or why Rafsanjani would defect from the reformist movement, abandoning over a decade of political progress towards improving relations with the West.

## A. HISTORY

The history of Iran's anti-Israel policy goes back to the beginning of the Islamic Republic—it is a foundational element of the revolution, going hand-in-hand with the demonization of the U.S. and Western imperialism. Iran's active foreign policy towards Israel throughout the 1980s, however, was ambiguous. On one hand, it was the force behind Hezbollah's fight to expel Israel from Lebanon. On the other hand, it was with Israel's help that Iran was able to procure weapons in exchange for U.S. hostages held in Lebanon—and initially, the weapons themselves came from Israel's armories. But this collusion between Israel and Iran against Saddam Hussein was short-lived. The defeat of Iraq in the first Gulf War mitigated Iraq as a threat to both countries. That defeat allowed both Iran and Israel to restructure their foreign policies to face the regional threat that remained—each other.

The end of the civil war in Lebanon created an existential crisis for Hezbollah. Allowed to survive as the result of an agreement between Iran and Syria, Hezbollah turned towards consolidating its political and social position throughout the 1990s, continuing to serve its role as Iran's deniable paramilitary force. It facilitated Iranian relations with Hamas, executed terrorist attacks abroad in 1992 and 1994, and continued to harass northern Israel with rocket fire, all the while refashioning its image from that of just a paramilitary force to that of a political and charitable organization as well. Israeli military operations, such as Grapes of Wrath, backfired when non-military Hezbollah targets were destroyed, and reinforced Hezbollah's legitimacy with the population.<sup>82</sup> This restructuring and subsequent legitimacy not only led to political opportunities for Hezbollah within the Lebanese political system, but also enabled it to establish goodwill across sectarian lines, particularly with the mass expulsion of Hamas members from the Palestinian territories in 1992.

Iran's somewhat troubled alliance with the Palestinian cause was long established by the time of the first intifada. Khomeini's public and unqualified support for the elimination of Israel went back to at least 1962, when he argued that Israel was the

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<sup>82</sup> Daniel Byman, *Deadly Connections* (New York: Cambridge University Press, 2007): 112.

West's agent in an imperialist plot to control the Middle East.<sup>83</sup> Seeking inroads to more actively support the Palestinian cause was thus a long-standing national priority of the Islamic Republic. The PLO, a previous ally, burned bridges with Iran during the Iran-Iraq War by supporting Saddam Hussein. The emergence of Hamas and Palestinian Islamic Jihad, therefore, presented Iran with a desirable alternative to Arafat. Israel's expulsion of Hamas' leadership facilitated Iran's long-sought opportunity to support the Palestinian cause, insofar as that cause called for the rejection of the legitimacy of the Jewish State.

Using Hezbollah as intermediaries to offer Hamas support, Iran began providing Hamas with training, weapons, and financial resources with which to conduct operations against Israel. This bridged a critical gap towards fulfilling Iran's espoused ideology of supporting the Palestinians without being forced to make amends with the PLO.<sup>84</sup> Hamas, subsequently, transitioned from being a "one-trick suicide-bombing" organization to a significant paramilitary force. By 2008, Hamas fighters had been training at IRGC camps in Tehran for over two years, with the intention of gaining at least the same level of proficiency demonstrated by Hezbollah during the 2006 war with Israel.<sup>85</sup>

The experience of the previous decade, however, offers examples of a less than strident opposition to Israel, particularly with reference to the arms-for-hostages scandal. The Iranians involved clearly understood Israel's desire to create an "alliance of the periphery" for the advantage of the non-Arab states in the Middle East, and at the very least paid some lip-service to the effect that they might support a peripheral alliance in the future. Clearly, this was not the path Iran chose to follow. Iran chose to redefine the basis of the Middle East's regional alliance taxonomy from nationalism to religion.

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<sup>83</sup> Shaul Bakhash, *The Reign of the Ayatollahs* (New York: Basic Books, 1984): 37.

<sup>84</sup> Iran refused to make amends with the PLO for supporting Saddam Hussein, yet by October of 1993 Iran's Deputy Foreign Minister was on his way to Baghdad to solicit an alliance; see: Kenneth Pollack, *The Persian Puzzle* (New York: Random House, 2004): 265–266.

<sup>85</sup> Marie Colvin, "Hamas wages Iran's proxy war on Israel," *The Times*, March 9, 2008.

The Iraq war was the single greatest obstacle to Iran's efforts to redefine alliance structures in the Middle East away from nationalism and towards religion. As the Arab states lined up behind Saddam Hussein, Iran was regionally isolated and sought opportunities to undermine its enemies and build alliances where it could. The tanker wars, for example, demonstrated both Iran's restraint (prior to 1987), as well as its willingness to strike out against Iraq's financial allies. Iran's crucial alliance with Syria not only enabled access to Lebanon, but also provided its only geo-strategically relevant partner in the war against Iraq. Iran's alliance with Arab states enabled it to claim that it possessed no enmity toward Arabs, and its consistent support for Hezbollah and later, Hamas, justified its claim to be the vanguard of an Islamic revolution. Hamas' choice of Iran for its first official visit underscores Iran's success in courting the Palestinian cause.<sup>86</sup>

The era of pragmatism ushered in by Rafsanjani revealed new limitations to the extent to which Iran was willing to export the revolution. Rafsanjani, in keeping with Khomeini's "Open Window" policy, which he spearheaded in 1985, attempted through multiple channels to improve its international standing in order to salvage the post-war economy. The austerity of forced economic isolation during the previous decade ironically left Iran in reasonable financial shape. Iran's domestic economy still had to recover from the physical damage of the war, and Rafsanjani's approach towards rebuilding the economy started with structural reform.

Attempting to separate domestic factionalism from foreign policy, the Supreme National Security Council was established. This was followed by the resumption of economic relations with the U.K., though little changed with respect to Iran's strident anti-Israel policy or its effort to assert its moral and religious authority in the Middle East.

Though Iran gave many indications that its Islamist rhetoric was mere bluster, at no point did it make an official public break with its anti-Israel ideology. Rafsanjani's denial of Israel's involvement in the arms-for-hostages scandal underscores the strength

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<sup>86</sup> Anoushiravan Ehteshami and Mahjoob Zweiri, *Iran and the Rise of its Neoconservatives* (New York, NY: I.B. Tauris, 2007): 104.

of feeling associated with Israel in Iran at the time, “We have never negotiated with Israel. . . . If we find out that the weapons reaching us have come through Israel, we will not even use them in the warfronts.”<sup>87</sup> Reality notwithstanding, public association with Israeli arms deals was more than any politician could bear, and undermined the position Iran was attempting to assume in the Middle East.

By the end of the Rafsanjani era, however, popular attitudes within Iran towards the U.S. and even Israel shifted. Khatami’s election signaled the end of Iran’s transformation away from a revolutionary mentality. Iran’s revolutionary phase was sustained by the Iran-Iraq War; its end, and Khomeini’s death, led to post-revolutionary reconstruction under Rafsanjani. Khatami’s ascendance marked a new phase in Iran’s domestic politics in which multiple leftist factions vied for power with little pretense for revolutionary credibility.

Khatami was never supposed to actually win the presidential election—his role was to mobilize the population just enough to give the election a democratic sheen.<sup>88</sup> The government fully and vocally supported the election of Nateq-Noori. Their mistake in choosing Khatami revealed the breadth of the gap between the traditionalist right of the majority SCC and popular opinion. The Islamic left’s ACC and Rafsanjani’s Executives of Reconstruction, backing Khatami, therefore created a popular alternative to the “revolutionary” platform of the SCC.

Rafsanjani’s legacy of improved relations with Iran’s Arab neighbors allowed Khatami to pursue improved relations with the U.S. by softening its anti-Israel policy.<sup>89</sup> In 1998 he allowed a senior administration official to be interviewed by an Israeli newspaper where she was quoted as stating, “I support a dialogue between Iranians and Israelis, but it is too early to speak of political dialogue between Iran and Israel.”<sup>90</sup>

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<sup>87</sup> Rafsanjani quoted by Trita Parsi, *Treacherous Alliance* (New Haven: Yale University Press, 2007): 125.

<sup>88</sup> Jason Brownlee, *Authoritarianism in an Age of Democratization* (New York: Cambridge University Press, 2007): 164.

<sup>89</sup> Trita Parsi, *Treacherous Alliance* (New Haven: Yale University Press, 2007): 210–214.

<sup>90</sup> Kenneth Pollack, *The Persian Puzzle* (New York: Random House, 2004): 318. Massoumeh Ebtekar was interviewed by Sever Plotker for *Yediot Aharonot* in February, 1998.

Further, Khatami himself stated that although Iran remained opposed to the peace process, Iran was not opposed to *any* peace process.<sup>91</sup> In line with Rafsanjani's long-standing desire for improved relations with the U.S. as a means towards improving Iran's economic condition, and transparent in accordance with the principles of the Khatami and the ACC, these moves were welcomed by the U.S.

Taking advantage of the openness of the new regime, the Clinton administration launched a series of diplomatic gestures designed to reciprocate Khatami's détente and bolster his domestic position against the modernist and traditionalist right.<sup>92</sup> At the same time, Khatami himself engaged in a bitter fight for his political survival.

Khatami's reforms were antithetical to the politics of the SCC. Hard-liners set out to undermine or ruin his policies and supporters. Gholamhossein Karbaschi, the mayor of Tehran and a supporter of Khatami, was indicted on corruption charges and sentenced to a five-year prison term.<sup>93</sup> Abdollah Nuri, the Minister of Interior, was impeached. Many reformist publications were closed down by court orders—others, burned to the ground.<sup>94</sup> Rahim Safavi, the commander of the IRGC, specifically linked Khatami's softening U.S. policy to the increasing anti-reformist violence.<sup>95</sup> The Clinton administration's efforts to support Khatami, though substantial, were hardly proportional. The U.S. placed the MEK on the State Department's list of terrorist organizations, removed Iran from the list of states that support drug trafficking, granted ILSA waivers to some European companies and eliminated some trade restrictions, and the President Clinton made a dinner speech offering a "diplomatic" apology for interfering in Iran's domestic politics prior to the revolution.<sup>96</sup> Unwilling to do more as a result of Saudi

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<sup>91</sup> Kenneth Pollack, *The Persian Puzzle* (New York, NY: Random House, 2005): 318.

<sup>92</sup> Ibid., 320.

<sup>93</sup> Mehdi Moslem, *Factional Politics in Post-Khomeini Iran* (Syracuse, NY: Syracuse University Press, 2002): 259.

<sup>94</sup> Kenneth Pollack, *The Persian Puzzle* (New York, NY: Random House, 2005): 328.

<sup>95</sup> Mehdi Moslem, *Factional Politics in Post-Khomeini Iran* (Syracuse, NY: Syracuse University Press, 2002): 262.

<sup>96</sup> Kenneth Pollack, *The Persian Puzzle* (New York: Random House, 2004): 321–323.

Arabia's disclosure of evidence implicating Hezbollah and Iran in the Khobar Towers bombing in 1996, the Clinton administration ultimately left the reformers to their own devices.<sup>97</sup>

The internal schism between the SCC and the ACC was manifested in an incoherent policy towards Israel. Iran's rhetoric unequivocally supported Palestinian rejectionists, but in actuality Iranian support was minimal even after the start of the Second Intifada.<sup>98</sup> The defeat of the ACC at the hands of the traditionalist right in mid 1999, and the defection of Rafsanjani's Kargozoran back to the SCC took the right's objections to improved foreign relations with the West off the table.<sup>99</sup> Therefore, despite their institutional control of the defense establishment and rhetorical antipathy towards the West, the traditionalist / modernist coalition prized economic development over Palestinian rejectionism.

The U.S. presidential election of 2000 ushered in an expectation of improved relations with Iran. Vice President Cheney, as the CEO of Halliburton, favored doing away with the ILSA and renewing economic ties with Iran.<sup>100</sup> The new administration, however, was slow to act and proponents of the ILSA—specifically, AIPAC—gathered the necessary congressional support to have the sanctions renewed.<sup>101</sup> Iran's ambivalence with respect to Israel did not translate into Israeli ambivalence with respect to Iran, as Iran possessed a military capability on Israel's borders, while Israel possessed no such capability on Iran's.

September 11 did not, therefore, change the new administration's view towards Iran—in fact, it brought Iran's potential as a strategic ally into sharp relief. The principal policy shift involved for the U.S. regarded policy towards Afghanistan in the “six plus two” talks. Iran's position was that the Taliban needed to be forcibly removed from

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<sup>97</sup> Kenneth Pollack, *The Persian Puzzle* (New York, NY: Random House, 2005): 324.

<sup>98</sup> Trita Parsi, *Treacherous Alliance* (New Haven: Yale University Press, 2007): 221.

<sup>99</sup> Jason Brownlee, *Authoritarianism in an Age of Democratization* (New York: Cambridge University Press, 2007): 167.

<sup>100</sup> Trita Parsi, *Treacherous Alliance* (New Haven: Yale University Press, 2007): 223–224.

<sup>101</sup> *Ibid.*, 225.

Afghanistan, and the U.S. adopted that same goal after September 11.<sup>102</sup> Breaking away from the rest of the six plus two, except for Germany and Italy, the U.S. and Iran cooperated on Operation Enduring Freedom, with Iran providing extensive intelligence on the Taliban and al-Qaeda, contacts within the Northern Alliance, and even using U.S. intelligence to kill or capture al-Qaeda fighters fleeing Afghanistan.<sup>103</sup> Despite this new strategic alliance, the new U.S. administration's policy towards Iran was not going to be what one might expect from the Vice President's pre-election statements as CEO of Halliburton. Other voices in the administration believed that any engagement with Iran must be tied to Iran's anti-Israel policies, and their influence led to the next big setback in U.S.-Iranian relations—President Bush's "Axis of Evil" speech.

After the ACC and Khatami caved to pressure from the traditionalist right in 1999, the reformers became increasingly vulnerable to domestic criticism. Following September 11, despite relatively broad-based support for Iran's cooperation with the U.S., elements within the SCC leadership were poised to use it against Khatami at the first opportunity. That opportunity came with President Bush's 2002 State of the Union speech. According to Kenneth Pollack, the speech was not written specifically with Iran in mind—a third country was needed to make the line work, and Iran was handy in the wake of the *Karine A* incident.<sup>104</sup> Nevertheless, it provided just the ammunition the traditionalists needed in order to discredit Khatami's "soft" foreign policy.

By Khatami's second term in 2001, Iran's institutional leadership were forced to make a decision regarding whose policies guided them—the President or the Supreme Leader.<sup>105</sup> In the case of the Basij and IRGC, the answer was clearly the Supreme Leader, both of whom took increasingly active roles supporting the traditionalist right. These military institutions, among others (such as the Council of Guardians, which vets all potential political candidates and frequently disqualifies liberals from holding office),

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<sup>102</sup> Kenneth Pollack, *The Persian Puzzle* (New York: Random House, 2004): 345.

<sup>103</sup> Trita Parsi, *Treacherous Alliance* (New Haven: Yale University Press, 2007): 228.

<sup>104</sup> Kenneth Pollack, *The Persian Puzzle* (New York: Random House, 2004): 352.

<sup>105</sup> Anoushiravan Ehteshami and Mahjoob Zweiri, *Iran and the Rise of its Neoconservatives* (New York, NY: I.B. Tauris, 2007): 21–26.

allowed the newly militarized “neoconservative” camp, allied with the traditionalists, to dominate the election of the seventh Majles in 2004.<sup>106</sup> By disqualifying more than 2,500 candidates, conservatives won 156 out of 290 Majles seats.<sup>107</sup>

The elimination of liberal voices in Iranian politics led to increased support to Hezbollah, and Palestinian rejectionists, as well as anti-Israel and U.S. rhetoric. By maintaining control over powerful institutions within the Iranian government, the traditionalist right subverted the political process in order to ensure complete control over Iranian domestic and foreign policy.

## **B. THEORETICAL EXPLANATIONS**

Realist, ideological, factional, constructivist, and two-level game theory explanations for Iran’s anti-Israel policy each add something to one’s overall understanding; but two-level game theory, again, incorporates elements from each explanation as part of a dynamic process that more accurately describes how events really occur. Realist explanations for Iran’s anti-Israel policy focus on Iran’s desire to use the Palestinian cause as a means for allying itself with its Arab neighbors against Israeli power. Shifts in Iranian policy in the 1980s are easily accounted for by the immediacy of the existential threat from Iraq. Ideological explanations focus on Iran’s long-term commitment to the Palestinian cause and antipathy towards Israel as a foundational element of revolutionary thought. Factionalist explanations describe shifts in Iran’s policy as elements of ongoing internal political struggles between the traditionalist right, modernist right, liberals / reformists, and the neoconservatives. Constructivists rely on cultural and religious imperatives allying Iran with Palestinians against Israel. Two-level game theory explains Iran’s anti-Israel policy as a dynamic process in which the internal factional disputes of liberal and conservative elements combine with the demands of regional power politics, and shifting foreign policies of the U.S. in such a way that no particular move by either Iran or any other regional power (to include the U.S.) can be

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<sup>106</sup> Anoushiravan Ehteshami and Mahjoob Zweiri, *Iran and the Rise of its Neoconservatives* (New York, NY: I.B. Tauris, 2007): 37.

<sup>107</sup> Iran Parliamentary Union, *IPU, Elections, 2004*, 2004, [http://www.ipu.org/parline-e/reports/arc/2149\\_04.htm](http://www.ipu.org/parline-e/reports/arc/2149_04.htm) (accessed July 27, 2010).

predicted without considering multiple possible motivating factors. Each explanation has explanatory strengths, and weaknesses, but in the end, two-level game theory is the only one with sufficient explanatory strength.

Realist explanations for Iran's anti-Israel policy focus on Iran's desire to use the Palestinian cause as a means for allying itself with its Arab neighbors against Israeli power. Winning the support of the "Arab street," Iran first hoped to spread the revolution, viewing itself as a potential regional hegemon. The backlash from this resulted in the moderation of Iran's foreign policy. Maintaining its anti-Israel policy, in which it was heavily invested, Iran sought to recast itself as a vanguard of Muslim unity. As Iran's moderate image took hold, Rafsanjani renewed diplomatic ties with estranged Arab states—to include Saudi Arabia—and was thus able to moderate the stridency of its anti-Israel policy as well. Seeking to build its power base with Arab states and portray itself as benign in order to revitalize the economy, the anti-Israel policy became less politically useful in the 1990s. The rise of Khatami, however, introduces a problem for realist explanations of Iran's anti-Israel policy. Khatami's foreign policy was little more than an extension of Rafsanjani's, with the exception that vis-à-vis the U.S., it was paying dividends. Clearly, internal factionalist disputes rather than rational interest was a significant factor in Iran's abandoning of its moderating Israel policy and the *Karine A* incident. If the *Karine A* incident was manufactured by Israel, as has been suggested by multiple authors, this criticism would have to be reevaluated.<sup>108</sup>

Ideological explanations account for Iran's ideological predisposition to oppose Israel. This explanation fails, however, to explain inconsistencies in Iran's foreign policy—particularly with respect to Israeli arms sales during the war with Iraq, and the waxing and waning of Iranian support to Hezbollah and Palestinian rejectionists, depending on which faction was in power at the time.

Factional explanations account for many of the dynamics of Iran's anti Israel policy, particularly in the post-Khomeini years as factional disputes were not moderated

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<sup>108</sup> See: Said Arjomand, *After Khomeini: Iran under his successors* (New York, NY: Oxford University Press, 2009): 196, and Trita Parsi, *Treacherous Alliance* (New Haven: Yale University Press, 2007): 234, and Kenneth Pollack, *The Persian Puzzle* (New York: Random House, 2004): 351.

by the Supreme Leader. The policies of Rafsanjani, meant to alleviate Western concerns over Khomeini-era radicalism, were continued by the modernist right / reformist coalition of Khatami's 23 May Movement. Rafsanjani's defection to the traditionalists, allied with Khomeini, and their institutional control over the military, in turn led to a reradicalization of Iranian policy towards Israel, supporting Palestinian rejectionists and encouraging adventurism by Hezbollah.

Constructivist explanations of Iran's anti-Israel policy emphasize the binding cultural and religious values that unify Iran against the state of Israel. Constructivists point to examples such as the Qods (Jerusalem) Force, in which foundational revolutionary organizations are tied to the elimination of Israel as part of their charter. The connection of the traditionalist right and the neoconservatives is particularly strong, as would be expected, but constructivist explanations become problematic when considering the Islamic Left.

Dominating the Office of Liberation Movements and the IRGC during the early years of the revolution, members of the Islamic Left were among the most violent opponents of Israel and the West. They were responsible for sabotaging early dealings with Israel and the U.S. in the arms-for-hostages scandal, as well as the conduct of hijacking, suicide bombings, and the taking of the very hostages whose release the government of Iran sought to "negotiate." By the 1990s, however, the Islamic Left grew disillusioned with isolation and the revolutionary conception of the *velayat-e faqih*, seeking democratic reforms, accountability, and modernization as cornerstones of the 23 May Movement.<sup>109</sup> Along with these, the reformers of the 23 May Movement functionally abandoned Iran's long-standing anti-Israel policy, with no effect on their popularity at the poles. Failing to explain the evolution of the Islamic Left into the reform movement (and their alliance with the modernist right) in purely constructivist terms, one looks for a more comprehensive explanation for Iran's anti-Israel policy.

Two-level game theory offers the most robust explanation for Iran's anti-Israel policy. While factionalist disputes clearly played a significant role in Iran's constantly

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<sup>109</sup> Anoushiravan Ehteshami and Mahjoob Zweiri, *Iran and the Rise of its Neoconservatives* (New York, NY: I.B. Tauris, 2007): 6.

changing level of interest in opposing Israel, realist regional objectives also played a role—particularly during the Iran-Iraq War. Further, Rafsanjani’s post-Khomeini economic reconstruction plan required that Iran assure the West that it would not engage in acts of terrorism, and by the end of the Rafsanjani era, Iran transitioned to becoming a relatively “responsible” regional presence. Khatami continued that trend, and even began a process of rapprochement with the U.S. under the Clinton administration. The actions of multiple parties, however, contributed to the demise of that process—not the least of which was factionalist infighting within Iran. The dialogue-like process between the internal struggle of Iranian policy with respect to Israel and the actions of outside governments, however, is what two-level game theory emphasizes. It is through this process that the resurgence of Iran’s anti-Israel policy was realized.

## V. IRAN'S NUCLEAR DEVELOPMENT PROGRAM

Iran's nuclear development program was long suspected during the 1990s; but it was not until 2002 that an enrichment facility at Natanz and a heavy-water facility at Arak was disclosed by an Iranian dissident group. Both facilities were primitive, but took the U.S. and the rest of the international community by surprise. Calls for an immediate suspension of the program were made, and negotiations began to come up with a long-term solution to international concerns over Iran's obligations as a signatory to the Non-proliferation Treaty (NPT). Subsequent International Atomic Energy Agency (IAEA) inspections were suspended, and according to Mark Fitzpatrick, Iran can produce enough weapons-grade Uranium to be used in a bomb within "a couple of months."<sup>110</sup>

Realist explanations for Iran's nuclear program, as well as factional and two-level game theory explanations, are all coherent. Iran would likely be more secure as a result of having a nuclear capability. There is no political faction within Iran that is opposed to a nuclear capability, though there are factions that would accept a security guarantee from the U.S. and renewed economic ties in lieu of continuing the program. Two-level game theory explanations likewise, taking advantage of realist and factional explanations, maintain coherence. Ideological and constructivist explanations both fail to address why Khomeini would break with his stated opposition to nuclear weapons by maintaining a nuclear program throughout the 1980s, or why Khomeini and the rest of the "revolutionary" clergy would explicitly break with Khomeini's ideology in order to develop a weapons program.

### A. HISTORY

Iran's isolation from the West continued largely until the strategic opening in the aftermath of 9/11. Khatami's second term and the common interests of the U.S. and Iran against the Taliban aligned briefly, until the discovery of Iran's secret nuclear facilities and the *Karine A* incident led back to the status quo. Internal politics then took on a role

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<sup>110</sup> Council on Foreign Relations, *Backgrounder: Iran's Nuclear Program*, March 10, 2010, [http://www.cfr.org/publication/16811/irans\\_nuclear\\_program.html](http://www.cfr.org/publication/16811/irans_nuclear_program.html) (accessed July 28, 2010).

as the rise of a generation of neoconservative politicians in 2005, promoting the nuclear issue, attests to the emotive appeal of a nuclear capability for much of the electorate. Nevertheless, as the NIC estimate of 2007 points out, the program began several years prior to the public promotion of the issue. The reasons behind it, therefore, were not related to its domestic appeal.

The principal figures behind Iran's nuclear development program during the Khomeini era were Mir Hossein Musavi, the Prime Minister (and "green" candidate for the recent presidential election), and Ali Akbar Hashemi-Rafsanjani, the powerful Speaker of the Majles.<sup>111</sup> Musavi was a staunch member of the Islamic Left throughout the 1980s, heavily involved with Lebanese Hezbollah and the arms-for-hostages scandal, as mentioned in Chapter II. Together they managed to keep Iran's nuclear program alive throughout the Iran-Iraq War. During his subsequent terms as president, Rafsanjani managed to begin serious development of the nuclear program.

Khatami continued Rafsanjani's efforts until the discovery of the centrifuge enrichment facility at Natanz in 2002. Further revelations unleashed a firestorm of concern in the West, and demands for immediate suspension of the program as well as a strict inspection regime per Iran's status as a signatory to the NPT.<sup>112</sup> Crossing factional lines, Iran's nuclear program enjoyed broad-based support from both the left (Khatami's reformist movement) and right (both Rafsanjani's modern right and Khomeini's traditionalists). It was under Khatami, however, that the nuclear program flourished, as a result of the premium the Khatami administration placed on technical expertise as opposed to religious and revolutionary credentials.<sup>113</sup> The near-universal support the nuclear program enjoyed, however, was not unqualified. According to Takeyh, Iran's willingness to concede to the demands of the West with a long-term voluntary suspension of the program was undermined by the U.S. administration's constant pressure on the

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<sup>111</sup> Ray Takeyh, *Guardians of the Revolution* (New York: Oxford University Press, 2009): 243.

<sup>112</sup> *Ibid.*, 247.

<sup>113</sup> Kenneth Pollack, *The Persian Puzzle* (New York, NY: Random House, 2005): 362.

Europeans for more Iranian concessions.<sup>114</sup> In the end, Khatami's administration came to an end and Rafsanjani lost the next election to Ahmadinejad.

Assuming power in a disconcerting foreign policy climate, Ahmadinejad, predisposed to supporting the nuclear development program in defiance of the U.S., found justification in the comparative outcomes of Iraqi and North Korean nuclear development programs. Iraq, without a nuclear capability, was invaded by the U.S. North Korea, with its demonstrated nuclear capability, was not. Ahmadinejad's calculation, therefore, was simple. He retained the eminently efficient Gholam Reza Aghazadeh from the previous two successive Khatami administrations, until Aghazadeh's resignation in 2009 (presumably in protest over the contested elections).<sup>115</sup> Restarting the nuclear program in early 2006, Iran continues to defy calls for suspending their enrichment program. The 2007 U.S. National Intelligence Estimate on Iran states that Iran could have a nuclear weapon sometime between 2010 and 2015.

## **B. THEORETICAL EXPLANATIONS**

Realist explanations for Iran's nuclear development program maintain that Ahmadinejad's calculation, above, demonstrates merely a continued, rational pursuit of regional security. Given the fact that Iran maintained its nuclear program—though only barely—throughout the Khomeini era, it is difficult to find fault with this logic. Realism does not tell the whole story, however, as economics, factionalist disputes, ideologies, and the policies of other states, come into play in the discussion of Iran's nuclear development program.

Realist explanations for Iranian foreign policy claim that national security interests drive Iran's nuclear development program. Prior to 2003, the Iranian program was driven primarily by the threat posed by Iraq, particularly after Saddam's use of chemical weapons against Iran during the Iran/Iraq war. The strength of feeling

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<sup>114</sup> Ray Takeyh, *Guardians of the Revolution* (New York: Oxford University Press, 2009): 247–248.

<sup>115</sup> Associated Press, *The Huffington Post*, July 17, 2009, [http://www.huffingtonpost.com/2009/07/17/ali-akbar-salehi-ahmadine\\_n\\_237530.html](http://www.huffingtonpost.com/2009/07/17/ali-akbar-salehi-ahmadine_n_237530.html) (accessed July 27, 2010).

associated with the national memory of the war is demonstrated by the support for the nuclear program among the Iranian population.<sup>116</sup> Whether or not Iran undertook to construct a nuclear capability after the war, there was a desire and need for some form of strategic deterrent.

There is little dispute now that Iran had a nuclear weapons development program from the late 1980s until 2003.<sup>117</sup> For the purpose of defense against the Iraqi regime and its Arab state supporters, Iran found itself isolated in the Middle East, in much the same situation as Israel, throughout the 1980s. Attempting to export the Islamic revolution only exacerbated Iran's isolation, providing enough justification for other Arab states to provide support to Iraq. While relations with the Arab states (other than Iraq) improved somewhat under Rafsanjani and Khatami, it was not until 1997 that Iran had its first major diplomatic breakthrough, hosting the OIC in Tehran.<sup>118</sup>

Ideological explanations for Iran's nuclear development program emphasize the bellicose comments of the Iranian leadership regarding Israel, their longstanding support to groups such as Hamas and Hezbollah, and the ultimate authority of the Supreme Leader. Proponents of the view of Iranian foreign policy as being driven by religious ideology need look no further than the stated policy of Ayatollah Khomeini for support, with his policy of "exporting the revolution." Subsequent leaders, particularly Ahmadinejad, further reinforce popular caricatures of Iranian foreign policy through the use of rhetoric, often designed for Arab audiences, about "wiping Israel off the map."

Advocates of Iranian factional motivations as the driving forces behind the development of a nuclear capability include the authors of the RAND report, *Mullahs, Guards, and Bonyads*.<sup>119</sup> According to the RAND report, informal factions within Iran

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<sup>116</sup> Ray Takeyh, "Iran Builds the Bomb," *Survival* (International Institute for Strategic Studies) 46, no. 4 (Winter 2004-05): 51–64.

<sup>117</sup> National Intelligence Council, *Iran: Nuclear Intentions and Capabilities*, National Intelligence Estimate (Washington D.C.: Government Printing Office, 2007).

<sup>118</sup> Nikki Keddie, *Modern Iran: Roots and Results of Revolution* (New Haven: Yale University Press, 2006): 271.

<sup>119</sup> David E. Thaler, Alireza Nader, Shahram Chubin, Jerrold D. Green, Charlotte Lynch and Frederic Wehrey, *Mullahs, Guards, and Bonyads* (Santa Monica, CA: RAND, 2009).

are the principle driving forces behind Iranian policies.<sup>120</sup> Some authors, such as those of the RAND study, emphasize factional differences to explain changes in Iranian policy, while others, such as Mehdi Moslem, point to the relationships between various factions to state institutions to explain the overall consistency of Iranian policy.<sup>121</sup>

The elimination of Saddam's regime in 2003 was preceded by the emergence of a new existential threat in 2002. The "Axis of Evil" speech ended a brief period of cooperation between the U.S. and Iran, and undermined Khatami's attempt at achieving Iran's foreign policy interests through cooperation with the West.<sup>122</sup> The U.S. replaced Iraq as Iran's principal existential threat, and Iran's hard-liners turned the nuclear program into a populist issue. Takeyh quotes Rafsanjani's assessment of the politics of Iran's nuclear program, "No official would dare allow himself to defy the people on such an issue."<sup>123</sup> Iranian neoconservatives took advantage of this in 2005, taking an uncompromising stand in order to demonstrate revolutionary credentials.<sup>124</sup> Regardless of Guardian's Council gerrymandering, the neoconservatives' brand of populist nationalism resonated with a large portion of the Iranian population.

Given the statements and actions of the U.S. following the "Axis of Evil" speech, it is no surprise that Iran believes that the U.S. poses a genuine existential threat. As long as Iran does not possess a nuclear capability, it will continue to feel threatened. The lesson of North Korea and Iraq is that the only way to guarantee regime survival is to possess a credible deterrent. North Korea, possessing nuclear weapons, survives, unlike the Iraqi regime, which apparently did not do enough to dispel the assumption that it was developing some sort of WMD.

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<sup>120</sup> David E. Thaler, Alireza Nader, Shahram Chubin, Jerrold D. Green, Charlotte Lynch and Frederic Wehrey, *Mullahs, Guards, and Bonyads* (Santa Monica, CA: RAND, 2009), 2.

<sup>121</sup> Moslem, Mehdi. *Factional Politics in Post-Khomeini Iran*. Syracuse, NY: Syracuse University Press, 2002, 9–10.

<sup>122</sup> Trita Parsi, *Treacherous Alliance: The Secret Dealings of Israel, Iran, and the U.S.* (New Haven: Yale University Press, 2007): 235.

<sup>123</sup> Ray Takeyh, "Iran Builds the Bomb," *Survival* 46, no. 4 (Winter 2004): 58.

<sup>124</sup> Mahjoob and Ehteshami, Anoushiravan Zweiri, *Iran and the Rise of its Neoconservatives* (New York: I.B. Tauris, 2007): 98–99.

Central to understanding the interests that drive Iran's foreign policy is the question of whether the purpose of Iran's nuclear program is the construction of a weapon or if Iran's purposes are peaceful. Despite Iran's insistence that its nuclear program is benign, the international community remains suspicious. The revelation in 2002 of the extent of Iran's nuclear program, with the previously unreported, and immediately denied, construction of plants at Arak and Natanz, exacerbated suspicions previously surrounding the plant at Bushehr, and undermined Iran's argument of a peaceful development program.<sup>125</sup> Focusing on the intent to enrich uranium, Iran claimed that they had not violated the NPT; the IAEA, however, took the view that the existence of enrichment facilities suggested such intent. The fact that Iran had not been forthcoming, and then denied the existence of facilities discovered as a result of a leak from the MEK-associated National Council of Resistance of Iran (NCRI) only made matters worse.<sup>126</sup> According to the 2007 NIE, Iran had a weapons development program that was halted as of 2003, and that halt continues.<sup>127</sup> If this is the case, then a range of explanations must be explored.

Arguments that Iran's nuclear program was peaceful all along are specious. If Iran's nuclear program had been for research purposes, it could have done with much smaller and more economical research reactors. If it had been for the purposes of energy, it could have used more efficient light-water reactors. Further, Iran is sitting on a sea of oil, with the third (possibly second) largest proven reserves in the world.<sup>128</sup> If Iran wanted to improve its energy situation, it could simply increase its refining capacity so that it would not have to be a net importer of gas, as it is today.<sup>129</sup>

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<sup>125</sup> Ali Ansari, *Confronting Iran* (New York: Basic Books, 2006), 199–200.

<sup>126</sup> Ibid.

<sup>127</sup> National Intelligence Council, *Iran: Nuclear Intentions and Capabilities*, National Intelligence Estimate (Washington D.C.: Government Printing Office, 2007).

<sup>128</sup> Ervand Abrahamian, *A History of Modern Iran* (Cambridge: Cambridge University Press, 2008): 194.

<sup>129</sup> Patrick Clawson, "Middle East Forum," *Middle East Quarterly*, Winter 2007, <http://www.meforum.org/1068/could-sanctions-work-against-tehran> (accessed June 10, 2009).

Constructivist arguments that the current nuclear program is primarily intended to increase Iran's regional "prestige and influence" contain elements of truth, but don't take into account Iran's history of deceit or adequately explain Iran's insistence on developing a program with a nuclear break-out capability.<sup>130</sup> As former President Rafsanjani stated himself in 2004, "That we are on the verge of a nuclear break-out is true."<sup>131</sup> The NIE and others would claim this as an example of Iran trumpeting its achievements in order to gain prestige and influence.<sup>132</sup> The truth in the argument is in the fact that Iran certainly gains from the prestige and influence resulting from its defiance of the U.S.. While this certainly helps Iran achieve some of its foreign policy objectives, it does not achieve the policy objective of regime survival. In fact, it threatens it—which leads to the most convincing argument that Iran's nuclear program is, in fact, benign.

The game-theory approach to Iran's nuclear development program is instructive. In this model, the realist explanation rightly accounts for a rational foreign policy in which Iran seeks regional security through nuclear parity. It explains Iran's willingness to engage in brinkmanship with the international community after the discovery of its development program because of its internal popularity. Successive dealings with the U.S., in particular, add an iterative dimension in that by holding the U.S. at bay in Iraq, Iran was able to buy some time against both regime change and the U.S. administration. In this way, the U.S. invasion of Iraq not only eliminated the Baathist regime from Iran's doorstep, but effectively limited the ability of the U.S. to effect regime change in Iran as well.

Iranian officials consistently claim that the development of a nuclear weapons capability is counterproductive. Their claim, contrary to the lesson of North Korea, is that "The existence of nuclear weapons will turn us into a threat that could be exploited in

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<sup>130</sup> Patrick Clawson, "Middle East Forum," *Middle East Quarterly*, Winter 2007, <http://www.meforum.org/1068/could-sanctions-work-against-tehran> (accessed June 10, 2009).

<sup>131</sup> Quotation from article originally published by the *Islamic Republic News Agency*, 25 May 2004, Ray Takeyh, "Iran Builds the Bomb," *Survival* 46, no. 4 (Winter 2004): 51.

<sup>132</sup> Patrick Clawson, "Middle East Forum," *Middle East Quarterly*, Winter 2007, <http://www.meforum.org/1068/could-sanctions-work-against-tehran> (accessed June 10, 2009).

dangerous ways to harm our relations with the countries of the region.”<sup>133</sup> In other words, a serious attempt to develop a nuclear weapon, if discovered by the U.S., would result in an attack. The lesson of Iraq is that a country that attempts to develop WMD may be attacked—but that lesson was not learned until after Iran began its nuclear development program. That is not to say the lesson cannot be invoked—it is not a stretch to imagine that Iran is less reckless in its foreign policy than Iraq. Given the timeline, however, and the circumstances surrounding Iran’s disclosures to the IAEA regarding the existence and capabilities of its nuclear facilities, it is difficult to believe that Iran went to so much effort for any reason but to develop a nuclear weapon. Besides offering no positive explanation for the existence of the program, this argument also possesses the fatal flaw of putting Iran in possession of a program that appears to be a weapons development program indefinitely, which puts Iran in a perpetual state of external threat.

The 2007 NIE claims that Iran gave up its weapons development program in 2003. If this is true, and if Iran’s position is taken to mean that now that the program has been discovered, it no longer seeks to develop nuclear weapons, then the last two arguments, above, become much more credible. However, it still leaves Iran in the uncomfortable position of maintaining a nuclear program on the verge of a capability, which, if realized (and discovered), would certainly lead to the destruction of the regime. Further, given the popularity of the nuclear program with the Iranian people, its supporters in the military and scientific communities, unanimous political support among top leaders, and Iran’s penchant for conducting highly efficient, secretive, and risky programs (such as their nuclear weapons program), it would be naïve to assume that Iran will not seek to continue its weapons development program at the first opportunity. As stated in the NIE, the nuclear power program continues—it is only the weapons development program that has halted.

As already mentioned, Iran’s nuclear program is driven by national security interests and the desire for regional hegemony. The nuclear program increases the prestige of Iran, showing that it is a developed, industrialized state, regardless of whether

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<sup>133</sup> Iran’s Defense Minister, Ali Shamkhani, originally quoted in *AFP*, 9 June 2004, Ray Takeyh, “Iran Builds the Bomb,” *Survival* 46, no. 4 (Winter 2004): 57.

or not it possesses a nuclear weapon. Its defiance of the international community in general, and the U.S. in particular, further enhances its reputation by demonstrating that it is capable of “standing up” to the superpower—something no other Middle Eastern state has managed to do. This earns regional respect and influence, which is an end in itself. The history of the disclosure of Iran’s nuclear program, however, suggests that this was not always its purpose. So long as the program was secret, its likely purpose was the development of a nuclear weapon. Once the program was publicly disclosed, however, internal politics dictated its continued support, and in the process Iran discovered that its game of brinkmanship with the IAEA and the Security Council was its own reward, in terms of improving Iran’s image in the Arab world. This approach, however, marked a drastic change to Iran’s regional foreign policy. Understanding this shift requires an examination of the three eras of Iranian politics since the death of Khomeini—the pragmatist, reformer, and neoconservative eras.

Iran’s attempts to improve regional state-to-state relations began in earnest with the rise of President Rafsanjani from 1989 to 1997, and continued under Khatami’s reformist agenda from 1997 to 2004. Rafsanjani sought improved economic and political relations with regional Arab states as well as Western Europe, and made some progress through his attempts at economic liberalization in pursuit of a loan from the International Monetary Fund. His efforts were limited, however, due to Iran’s continued support for terrorist activity abroad. Iran supported the MEK inside Iraq, multiple assassinations of Iranian dissidents abroad, and the 1992 and 94 bombings of the Israeli Embassy and a Jewish community center in Buenos Aires. This activity eventually resulted in U.S. sanctions through the Iran-Libya Sanctions act of 1996, curtailing U.S. trade and limiting trade with non-U.S. companies as well.<sup>134</sup> Despite increased economic liberalization, Iran’s foreign policy under Rafsanjani ultimately resulted in major economic setbacks and a loss of confidence in Iran.

Khatami’s challenge, therefore, was to assure the international community that Iran could be a responsible actor in the international community. Aggressively seeking to

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<sup>134</sup> Nikki Keddie, *Modern Iran: Roots and Results of Revolution* (New Haven: Yale University Press, 2006): 268.

continue Rafsanjani's policy of regional economic and political engagement, Khatami hosted the OIC in 1997, resulting in improved relations with Saudi Arabia, Egypt and UAE. In Europe, Khatami's major successes were the revival of diplomatic relations with Italy, France, and the UK.<sup>135</sup> Iran's policy of engagement during this period not only met the goal of improving economic ties for the purpose of improving the domestic economy. It also demonstrated Iran's desire and ability to behave as a "responsible actor," in sharp contrast to the behavior of its principal threat at the time, Saddam's Iraq. By hosting the OIC, improving relations with the Arab states, and regaining legitimacy with major Western powers, Iran decreased the likelihood that Iraq could attack with any international support ever again.

Within the context of this increasingly rational environment, the attacks of 9/11 managed to align U.S. and Iranian interests vis-à-vis Afghanistan, and common opposition to the Taliban regime. Iranian opposition to the Taliban manifested itself throughout the 1990s by Iran's support of Ahmad Shah Massoud's Northern Alliance, based out of Dushanbe. Cooperating with the U.S. by facilitating contact with the Northern Alliance, Iran / U.S. relations appeared to be on the verge of a breakthrough.<sup>136</sup> In 2002, however, with the discovery of Iran's undeclared nuclear facilities, the situation changed, and U.S. / Iranian détente came to an end.

The timing of the Axis of Evil speech ensured that the U.S. would replace Iraq as Iran's existential threat in the post-Saddam era, thus galvanizing populist support for the pursuit of a nuclear program. As argued elsewhere, Iran's nuclear program already had internal support from the military, the scientific community, and political interests.<sup>137</sup> The populist appeal of the program was and continues to be rooted in the desire for a credible deterrent. The political and national security reality of the situation, however, is that the risk is not worth the reward. Iran's strategy, therefore, has shifted from one of seeking to provide a strategic deterrent for the purposes of national security to one of

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<sup>135</sup> Nikki Keddie, *Modern Iran: Roots and Results of Revolution* (New Haven: Yale University Press, 2006): 268–272.

<sup>136</sup> Trita Parsi, *Treacherous Alliance: The Secret Dealings of Israel, Iran, and the U.S.* (New Haven: Yale University Press, 2007): 226.

<sup>137</sup> Ray Takeyh, "Iran Builds the Bomb," *Survival* 46, no. 4 (Winter 2004): 51–52.

using the existence of the nuclear program as a means by which to demonstrate Iran's power and influence. With the election of Ahmadinejad in 2005, this strategy is not limited to the borders of Iran, but is used as a means of gaining popular support regionally as well.

The Axis of Evil speech eliminated much of the progress the Khatami administration achieved. Ahmadinejad's election and the rise of the Iranian neoconservatives in both the Majlis and on the local councils consolidated their grip on national power. Unlike either Khatami or Rafsanjani, the neoconservative foreign policy agenda focuses less on state-to-state relations, and more on gaining popular support. As a result, Arab states are continually undermined by the actions of Iran, while those very actions serve to galvanize popular Arab support for Iran. Egypt, Saudi Arabia, and Jordan are particularly hard-hit by Iran's support for the Palestinian cause, as illustrated by Hamas' decision to make its first official state visit to Tehran after winning the election in 2006.<sup>138</sup> Iran's pledge of \$50 million in support to the reconstruction of Lebanon after the war demonstrated Iran's commitment not just to Lebanese Shia, but to the anti-Israel cause. Iran's actions, personified by Ahmadinejad, resonate with the "Arab street," if not Arab states.<sup>139</sup> To the extent that Arab regimes are held to account by their populations, the favor won by Iran through such actions precludes any possibility of joining a U.S.-led coalition against the Islamic Republic, which is, indeed the partial purpose of such international support. More importantly, however, this populist support provides Iran with a degree of regional moral legitimacy that cannot be ignored.

As mentioned, this ploy to gain the support of the "Arab street" does not necessarily improve state-to-state relations. Regional authoritarians, such as Hosni Mubarak, have responded with attempts to undermine the popular appeal of Iran, stating, "Shiites are mostly always loyal to Iran and not the countries where they live."<sup>140</sup> Iranian support to the Palestinians and Hezbollah against Israel and open defiance of the U.S. has

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<sup>138</sup> Mahjoob and Ehteshami, Anoushiravan Zweiri, *Iran and the Rise of Its Neoconservatives* (New York: I.B. Tauris, 2007): 104.

<sup>139</sup> Ibid., 101.

<sup>140</sup> Vali Nasr, "When the Shiites Rise," *Foreign Affairs* 85, no. 4 (July-August 2006): 5.

far outmaneuvered Arab authoritarian regimes politically, however; regime protests against Iranian interference only reinforce populist Arab sentiments. Referencing Egyptian protests against Iran's meddling in "Arab affairs," Saif al-Maskery, a former Omani Foreign Ministry official, stated, "Unfortunately, what is going on in Egypt is creating an enemy from nothing and undermining the Egyptian role."<sup>141</sup>

During both the pragmatist and reformist eras, Iran attempted to secure its national security interests and foreign policy objectives through the development of a strategic nuclear deterrent and by establishing good state-to-state relations with both its Arab neighbors, and within the broader international community. This effort unraveled with the public disclosure of the nuclear facilities at Natanz and Arak, isolating Iran, undermining the reformist agenda within the state, and setting the conditions for a new foreign policy emphasizing populism, and abandoning the development of a nuclear weapon. The neoconservative era under Ahmadinejad continues to pursue an ambiguous nuclear technology development program with the intention of increasing Iran's prestige and influence. This influence, resulting from Iran's popular foreign policies and perceived defiance of the U.S., undermines Arab regimes while at the same time forcing them to take Iranian interests into consideration as a result of Iran's popularity within the Arab world.

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<sup>141</sup> Michael Slackman, "Oman Navigates Between Iran and Arab Nations," *New York Times*, May 15, 2009.

## **VI. CONCLUSION: AN ARGUMENT FOR THE BEST EXPLANATORY FIT**

Each of the five explanations examined contain elements of truth. They have a tendency to break down, however, when applied to scrutiny. Two-level game theory avoids the pitfalls of each of the other explanations by taking both foreign and domestic considerations into account, and applying them iteratively. Critics may object that the purpose of a model is to simplify, and a model that simply mirrors does not do that. This is a fair objection, but one that may be answered by an analogy. In the game of chess, each player seeks to anticipate the next series of moves by the opponent, but each individual move offers a series of counter-moves that must be taken into consideration as well. The series is incalculable by the individual players—there is no such thing as a perfect game. Yet there is utility in modeling sets of opposing moves. Multiple possible sets may be posited—modeled—in order to game the best response to whatever is assessed to be the most likely course of action for the opponent. Key to the theory is the complexity of iterative possibilities, which yields not only useful insights, but also the possibility of a well-reasoned prediction.

Iranian foreign policy from 1979 to 2009 demonstrates the potential utility of two-level game theory to explaining state behavior. While this thesis avoids making generalizations about the predictive value of applying two-level game theory to other states, it does suggest potential future comparative study of highly factionalized authoritarian regimes. Further, it suggests that policymakers and military officers seeking to effect changes in Iranian state behavior need to possess a nuanced understanding of Iran's internal political workings. The history of U.S. foreign policy towards Iran is rife with specific examples in which a lack of understanding—on both sides—allowed for missed opportunities for rapprochement. Realism fails to yield good foreign policy towards Iran, yet pure factionalist, ideological, and constructivist explanations of Iranian behavior also miss the mark. Two-level game theory offers a better model for U.S. policymakers and military officers by combining the competing imperatives of international and domestic pressures when considering Iran's state behavior.

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