

# **POWER, PERCEPTIONS, IDENTITY AND FACTIONAL POLITICS**

**A neoclassical realist analysis of Iranian  
foreign policy, 2001-2007**

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## **Iran since 2001: Relative Power and Foreign Policy**

Iran's foreign policy has, since 2001, become increasingly assertive. A combination of regional and international factors, such as the removal of hostile regimes in neighbouring Afghanistan and Iraq, along with favourable domestic conditions, such as the consolidation of conservative power and the inflow of hard currency because of high oil prices, has improved the country's regional standing, and led Tehran to seek to expand its interests abroad. There are many examples of this assertiveness. Tehran has, for example, been a major actor in post-Saddam Iraq, while it has shown that it holds significant levers of influence throughout the region, including in the Palestinian Territories and Lebanon. Tehran has also steadfastly pursued its quest for the mastery of the fuel cycle, despite international condemnation and sanctions.

This paper corresponds to an abbreviated and modified version of my doctoral thesis proposal. Sections on the development of the internal logic of neoclassical realism, the proposed theoretical framework, and on competing theoretical explanations have been removed, as has much of the detail on the case studies. Instead, the paper focuses on the mechanics of the proposed theoretical framework.

The thesis will study Iran's foreign policy assertiveness between 2001 and 2007 through a neoclassical realist framework. Doing so will serve a double objective: first, to explain and analyze Iranian foreign policy; and second, to contribute to the development of the internal logic of neoclassical realism, using Iran as a case study. The outcome of the application of such a framework is a theoretically-informed narrative of the foreign policy of a given state, under specific circumstances. In this case, perceptions, regime identity and factional politics will be introduced as intervening variables between the distribution of power (the independent variable) and the country's foreign policy (the dependent variable). Much has been written on Iranian foreign policy between 2001 and 2007, taking into consideration some of these variables, and even more has been written concerning prior eras. Little, however, has been written that seeks to comprehensively integrate these factors, in a theoretically-informed manner. A neoclassical realist framework gives the analyst the tools required to do this. Three particular areas of the Islamic Republic's foreign policy will serve to illustrate the country's growing assertiveness: Iran's nuclear program; its policy in Iraq; and its policy relative to the Arab-Israeli conflict.

The working argument is as such: as a result of its increased relative power since 2001, Iran has sought to expand its interests abroad. This is consistent with a fundamental premise of classical realism: capabilities shape intentions. It is also consistent with a basic tenet of structural realism: the main driver of a state's external behaviour is its place in the anarchic system. But assessing changing relative power is a complicated matter; the case will be made that Tehran's perceptions overestimated its (albeit increasing) power, leading it to define its interests in ways contrary to what systemic theory would predict. The regime's identity then shapes these interests, as well as how they are pursued, to a considerable extent. Finally, factional politics, or the domestic balance of power among key regime factions, helps further specify the policy adopted on a given issue. The overall result is a neoclassical realist framework allowing for a comprehensive explanation of Iranian foreign policy between 2001 and 2007.

The thesis will improve our understanding of the foreign policy of a state that, in the recent US presidential campaign, was often described as the next president's most important foreign policy challenge. It is not just in Washington that policy-makers are looking with concern at developments surrounding the Islamic Republic: the European Union, many of Iran's neighbours, and even Russia and China have expressed some anxiety at various aspects of Tehran's behaviour. Iran is an aspiring regional power in what is arguably the world's most volatile and strategically important region in the early 21<sup>st</sup> century, it is a major oil exporter, it supports terrorist or rejectionist groups throughout the region, and its leaders have nourished their country's ability to influence developments throughout the region using a wide variety of means. The Islamic Republic remains the only theocratic state in the Middle East and as such maintains a certain power of attraction, despite its numerous failings and limitations. It is not impossible that the next major war will involve Iran, should the US and/or Israel decide to launch air strikes against its nuclear installations. Thus the relevance of better understanding the Islamic Republic's foreign policy and its determinants is clear.

### *Iran's improved relative power*

The regional distribution of power in the Middle East between 2001 and 2007 changed, to the benefit of Iran: its relative power improved. It will be crucial to demonstrate this, as a fundamental premise of the project is that because Iran's relative power has increased, it has sought to expand its interests abroad. This is a central tenet of classical realism – capabilities shape intentions – on which neoclassical realism builds. The latter believes that to argue that increased power leads to expanded interests abroad is true, but imprecise; more variables must be brought in to further specify what these interests are and how they are pursued. In this context, ch.1 will provide an historical overview of Iran's regional standing, by discussing the key factors that have affected its power before and after the 1979 Islamic Revolution. An analysis of Iran's standing on 10 September 2001 will provide the link to the bulk of the chapter that will follow.

Since 2001, certain constraints on Iranian power have been lifted, at least partially, while other developments served to reinforce this trend. For example, the removal of the Saddam Hussein and Taliban regimes in neighbouring Iraq and Afghanistan, which previously served to box in or contain Iran, has benefited the Islamic Republic, despite the presence of American troops on both its flanks. Furthermore, key Iranian allies have seen their position strengthened; for example, Hamas and Hezbollah saw success at the polls and on the battlefield. The relative weakness of neighbouring Arab regimes has also contributed to strengthening Iran: their regional cooperation efforts remain disorganized, many of their regimes are of an increasingly sclerotic nature (especially those that have traditionally aspired to regional leadership), pan-Arabism and Arab nationalism are waning, and the oil-rich regimes lack the political power to accompany their growing economic clout. At the domestic level, high oil prices have led to an inflow of foreign currency, which has allowed for an increase in military spending and in domestic subsidies (which help temper domestic tensions). In addition, the consolidation of conservative power, at the expense of the reformists, has allowed the regime to pursue foreign policy objectives with more coherence. Finally, perceptions within the regime of the existence of a window of opportunity for the assertive pursuit of Iranian interests have played an important role. These perceptions have been largely driven by what many in the Iranian regime view as their rightful place in the regional order.

That said, though Iran's position has improved, some constraints on its relative power remain. At the domestic level, potentially serious economic, social, and demographic problems are brewing, as, for example, the country's stagnating economy cannot provide employment for the legions of youth who seek to enter the workforce every year. Though there currently is no opposition seriously threatening the clerical regime, its legitimacy remains brittle. Regional developments of the past few years also act to partly constrain Iran's power. In particular, it is still acutely isolated. Its few allies are isolated and often weak, such as Syria, and it is easily forgotten that there is a huge military imbalance in the region in favor of US-allies (with, for example, the Gulf Cooperation Council states having spent seven times as much on defense in the past decade). Despite all that can be said about the US being bogged down in Iraq and Afghanistan, it remains a fact that Iran is encircled by American forces as never before.

There are two reasons to highlight these negative factors constraining Iran's relative power. First, Iran's standing has improved, but not dramatically so. Second, the regime's perception of its standing has tended to emphasize the positive factors affecting its power, at the expense of the negative ones. Many in Iran's leadership feel emboldened by the events of the past years, and consider Iran to be in a much stronger position, with the West having limited leverage against it. This has implications for its foreign policy, something that neoclassical realism is well-suited to explore.

#### *Iran's increased assertiveness since 2001*

An overview of the literature shows that there is general agreement that Iran's foreign policy has grown increasingly assertive in recent years. There is little consensus, however, on the causes and scope of this behaviour. The literature commonly identifies certain factors as important determinants of Iranian behaviour, including the country's improved regional standing, the regime's perception of its increased power, the regime's identity, as well as domestic politics. Few studies, however, have attempted to explain Iran's increasingly assertive behaviour in a theoretically-informed manner. There is, in sum, a need to integrate these diverse determinants into a comprehensive, theoretically-grounded framework.

In his study of Iran's 'new aggressiveness', Mark Gasiorowski concludes that there has been continuity and change in its foreign policy in the last few years (2007). Tehran, for example, had been supporting Hezbollah and pursuing a nuclear program prior to 2001. The new aggressiveness has been limited in scope, mainly "involving Iraq and a more defiant posture on the nuclear dispute" (129). Gasiorowski's overview of Iran's foreign policy highlights the niche this thesis will occupy. He argues that Iran's aggressiveness is limited in scope, but he does not explain which factors limit this scope in certain areas and not others, neither does he explain the general source of Iran's assertiveness. His point that the main driver of Iran's external behaviour is its quest for security is noteworthy, and is similar to neorealism's assertion that states are security-maximizers. As will be discussed below, the thesis will look into the issue of the overall foreign policy objective of states, whether it is security-, power- or influence-maximization.

Barry Rubin argues that Iran is "relatively more powerful today than at any time" in its modern history (2006, 151). He discusses the domestic and international factors which have led to the opening of a window of opportunity for Iran to pursue with increased assertiveness its claim to regional power status. The background of his analysis – the factors on which Iran's

standing rest – is similar to Gasiorowski's, but his conclusions are that Tehran's assertiveness is not limited in scope, and that its ambitions are bound to increase further as its nuclear program progresses. Rubin's analysis is useful in terms of its explanation of the window of opportunity that has opened up for Iran in the past few years, as well as in emphasizing the current regime's claim to regional power status. He does imply that certain factors constrain Iran's ability to seize this opportunity, but he does not attempt to provide a conceptual framework to explain them.

Domestic politics have long been recognized as having an impact on Iran's foreign policy. Some studies have, in particular, discussed how the balance of power among the various factions that drove the Revolution impacted foreign policy decisions in the 1980s (Bakhash 1984; Djalili 2007). In one recent study, Babak Ganji discusses the role of the Supreme Leader as the final arbiter or 'balancer-in-chief' of the Islamic Republic's complex decision-making process (2007). According to this view, the evolution of the balance of power among the country's myriad, fluid factions in the wake of the election of Mahmoud Ahmadinejad as president in 2005 led to a foreign policy tilt in a more hard-line, assertive direction. Like many others, this is an interesting and detailed study, yet it tends to overemphasize the importance of shifts in the balance of domestic power; these can have an impact on foreign policy, but they are usually tactical, not strategic, as all the factions must operate within the bounds of the Islamic Republic. The evolution of the internal balance of power is an important determinant of foreign policy, but not the only one. A more comprehensive account must situate it in relation to others.

Two other articles go some way to compensate for the lack of a conceptual framework to explain Iranian foreign policy. David Menashri, first, argues that ideology has been, since 1979, gradually subordinated to national interests. Actual policy, despite the prevalence of ideologically-charged rhetoric, combines ideological convictions with "a healthy dose of regard for national interests" (2007, 155). This attempt to explain foreign policy in terms of a balance between ideology and pragmatism is useful, but again leaves many aspects unaccounted for. It is not clear, for example, why in some instances the balance tips in one direction or the other, nor is the role of domestic factionalism explained, though Menashri acknowledges it to be essential. R.K. Ramazani, one of the foremost students of Iran of the past half century, offers a comparable analysis (2004). He argues that the tension between religious ideology and the pragmatic pursuit of the national interest has persisted throughout Iranian history. There tends to be a recurring pattern of 'cultural maturation' whereby the balance of influence seems to shift away from ideology towards pragmatism. He quotes Ali Rafsanjani, a former president of Iran (1989-1997), as explaining that "the relative weight of ideology and national interest in foreign policy decision-making depends on the circumstances of a particular case at a given point in time" (556). Ramazani provides examples of decisions tipping on one side or the other, but not a conceptual explanation of Rafsanjani's proposition.

### **Neoclassical Realism**

Four reasons for adopting a neoclassical realist framework to study Iran's increasing assertiveness can be provided. First, it will be demonstrated that the most important driving factor behind Iran's behaviour is its improved relative power, and neoclassical realism provides a useful framework for the study of foreign policy in the wake of changed relative power. Second, neoclassical realism allows for the integration in a comprehensive model of the distribution of

power with domestic-level variables assessed in the literature to be important to Iranian foreign policy. These variables – perceptions, identity, and factional politics – are widely used, but rarely incorporated in a comprehensive, theoretically-informed framework.

Third, such a theoretically-informed account will fill a gap in the literature on Iran, which is rich in foreign policy analysis but poor in contributions to International Relations theoretical development. Middle Eastern specialists have regularly highlighted this weakness in the study of the region as a whole. Fawaz Gerges, for example, has deplored the “anti-theoretical tendency” of the study of Middle East international relations (1991, 215). Rex Brynen found that 77% of articles surveyed exhibited no explicit theoretical content, let alone generalized hypotheses or references to theoretical work (1986, 408). A related shortcoming is the tendency to study the Middle East as an adjunct to Great Power politics (Gerges 1991, 211). The region is looked at ‘from the outside’, to the neglect of regional and domestic influences on the foreign policies of Middle Eastern states. And fourth, a realist framework is appropriate for the study of the international politics of the Middle East. As Joseph Nye writes, the region “best fits the realist view of international politics” (2000, 163). Realism, however, has traditionally focussed on Western powers, and to a lesser degree on the East Asian region, and much less on Middle Eastern politics.

Rose argues that because neorealism is a theory of international politics, as Waltz emphasizes (1996), “much of the daily stuff of international relations is left to be accounted for by theories of foreign policy”. Whereas theories of international politics take as their dependent variable patterns of outcomes of state interaction, theories of foreign policy “seek to explain what states try to achieve in the external realm and when they try to achieve it” (Rose 1998, 145). Such theories, according to Rose, have been neglected by realists. In response, neoclassical realism provides a framework allowing for the establishment of detailed accounts of a given country’s foreign policy at a given time or under specific circumstances. It draws upon “the rigor and theoretical insights of the neorealism... of Waltz, Gilpin, and others without sacrificing the practical insights about foreign policy and the complexity of statecraft found in the classical realism of Morgenthau, Kissinger, Wolfers, and others” (Taliaferro, *et al.* 2009, 4). As Fareed Zakaria argues, “a good account of a nation’s foreign policy should include systemic, domestic, and other influences, specifying what aspects of policy can be explained by what factors” (1992, 198). In sum, neoclassical realism argues “that the scope and ambition of a country’s foreign policy is driven first and foremost by its place in the international system and specifically by its relative material power capabilities. This is why they are realist. They argue further, however, that the impact of such power capabilities on foreign policy is indirect and complex, because systemic pressures must be translated through intervening levels at the unit level. This is why they are neoclassical” (Rose 1998, 145).

Neoclassical realism proposes a clear causal chain, with three ‘steps’: the independent variable (the country’s relative position in the international distribution of power), the intervening variable (the domestic-level ‘transmission belt’, through which systemic pressures are filtered), and the dependent variable, or the foreign policy outcome. The independent variable is the state’s relative position in the international system, as it is with structural realism. Neoclassical realists, however, are left wanting by the assumption that states are unitary actors, whereby systemic pressures are the principal determinants of outcomes. According to this

assumption, structure “encourages certain actions and discourages others”, that is, systemic pressures are directly ‘translated’ into state actions (Keohane 1986, 166-7). In the long term, a state’s behaviour will converge with predictions based solely or mostly on structural factors. In the short term, however, divergences must be expected, and are accounted for by the integration of domestic-level variables. The intervening, domestic-level variables which “channel, mediate and (re)direct” systemic pressures (Schweller 2004, 164) represent one of the main, and most controversial, innovations of neoclassical realism. They allow for an exploration of the “internal processes” by which states “arrive at policies and decide on actions” in response to systemic pressures (Sterling-Folker 1997, 17). As Thomas Christensen explains, “given the insufficient determinacy of Waltz’s original approach for analyzing foreign policy, additional assumptions... are necessary if we are to argue from the international distribution of capabilities to the security strategies of particular nation-states” (1996, 12). The results, neoclassical realists claim, are more accurate, though more restricted in scope and less parsimonious, accounts of state behaviour.

Neoclassical realists propose three types of domestic-level variables. The first is that of individual leaders’ perceptions of the distribution of power, and is similar to the first intervening variable proposed for this thesis. Neorealism’s assumption that a black-box corresponding to ‘the state’ can correctly assess the distribution of power and directly translate it into policy is problematic. As Zakaria argues, “statesmen, not states, are the primary actors in international affairs, and their perceptions of shifts in power, rather than objective measures, are critical” (1998, 42). This concern is similar to a dilemma raised by classical realists, as seen in Morgenthau’s assertion that the “uncertainty of power calculations is inherent in the nature of national power itself” (1967, 199). The “reliable but invisible transmission belt” of structural realists (Friedberg 1988, 13) is a consequence of the rationality assumption, which “enables the theorist to predict that leaders will respond to the incentives and constraints imposed by their environments” (Keohane 1986, 167). This assumption, according to neoclassical realists, is inaccurate; good theories of foreign policy must delve into the details of statesmen’s perceptions of the distribution of power (Wohlforth 1993).

The importance of considering perceptions calls for in-depth case studies. For William Wohlforth, “[d]ifferences in perceptions of power must be regarded as the rule rather than the exception” (1993, 310). During the Cold War, he claims that shifts in the concentration of capabilities were regularly interpreted differently by the two superpowers, leading to different responses, contrary to what structural realism would predict, and hence to crisis. In the longer term, as perceptions inevitably converged, periods of tension were followed by détente, until the next period of diverging perceptions. Aaron Friedberg, for his part, argues that there was, within the British government at the turn of the twentieth century, “a strong general resistance to accepting evidence of the erosion in Britain’s position” (1988, 288), and that simplistic assessments based on narrow indicators made it “more difficult... to reach a realistic appreciation of ongoing shifts in the distribution of relative national power” (284). He refuses to blame this on the neglect or ignorance of British leaders: the facts were hard to read, and available measuring tools imprecise. Christensen agrees, arguing that misperceptions of the balance of power are most likely during shifts in the distribution of power (1996, 92) – which are the circumstances under which Iran found itself after 2001.



The second type of intervening variable proposed by neoclassical realism is what Randall Schweller refers to as state interests and motivations. He disagrees with neorealism's assertion that states with comparable positions in the international system respond similarly to systemic pressures, irrespective of interests or motivations. This oversimplification leads, at best, to underspecification and at worst to inaccurate predictions. Schweller argues that neorealism's assertion that states predominantly balance against greater powers was proven wrong by the bandwagoning propensities of limited-aims revisionist states, who are more likely to ally with unlimited aims revisionist great powers, for example to share the spoils of eventual changes to the international order (1994). On this basis, he criticized 'neorealism's status quo bias', whereby all states are assumed to be security-maximizers. He argued that neorealism's failure to account for the revisionist aims of power-maximizing great powers misses out on the 'prime movers' in international politics (1996). Schweller proposes an elaborate theory of foreign policy, with five measures for the intervening variable and eleven for the dependent one. He admits that his theory is "far less elegant" than Waltz's, but that the cost in lost parsimony and increased complexity is more than compensated by greater explanatory power (1998, 185). Schweller's approach harks back to the writings of classical realists that neorealists had neglected: among others, Morgenthau distinguished between imperialistic and status quo powers; Henry Kissinger between revolutionary and status quo states; and Johannes Mattern between have and have-nots (see Schweller's list, 1998, 20).

The third type of intervening variable can be termed 'political domestic constraints on national power', and seeks to determine how state-society relations affect the 'amount' of power at states' disposal. The 'transmission belt' assumption fails to incorporate the reality that many states have limited capacities to extract resources from their societies. Analysts must delve into the details of state-society relations and accept that though capabilities do shape intentions, as classical realism posits, 'state power' (Zakaria 1998) or 'national political power' (Christensen 1996) differ from structural realism's raw assessments of power. Neoclassical realists argue, for example, that Waltz's concept of internal balancing (1979, 168), an essential response to shifts in the distribution of power along with external balancing, must be nuanced by taking into consideration the state's ability to translate systemic pressures into strategy (Sterling-Folker 1997, 16-22). This is consistent with Morgenthau's inclusion of factors such as 'the quality of government' and 'morale' into his definition of power (1967, ch.9). Even Waltz recognizes that relative power is dependent on a state's "political competence and stability" (1979, 131). Neoclassical realists go one step further, by formally incorporating constraints on national power into their frameworks and explaining how they "constrain or enhance the ability of states to build arms and form alliances" (Schweller 2003, 341). Schweller elaborates on this in his theory of underbalancing, by incorporating four domestic-level variables: elite consensus, government or regime vulnerability, social cohesion, and elite cohesion (2004, 168-81).

The dependent variable, or the foreign policy outcome, is the third stage in the causal chain and again, neoclassical realists offer some innovations. For defensive realists, the dominant pattern of state behaviour is security-maximization; for offensive and classical realists, it is power-maximization (Schmidt 2005). Neoclassical realists agree with the classical realist assumption that capabilities shape intentions, and that increased capabilities lead to an expansion of a state's interests abroad. Zakaria argues, however, that the correlation is not perfect because "[f]oreign policy is made not by the nation as a whole but by its government" and that "what

matters is state power, not national power” (1998, 12). He labels ‘imperial understretch’ the fact that the expansion of American interests abroad in the late 1800s lagged by decades behind increases in national power. His hypothesis is that nations try to expand their political interests abroad when decision-makers perceive a relative increase in state power. As states expand their interests abroad, they seek to increase their control of the external environment; states are ‘influence-maximizers’. This begs the question of what is meant by ‘influence-maximization’, and here it can be argued that work remains to be done to clarify and operationalize the concept. According to Rose, “neoclassical realists assume that states respond to the uncertainties of international anarchy by seeking to control and shape their external environment... as their relative power rises states will seek more influence abroad, and as it falls their action and ambition will be scaled back accordingly” (1998, 152). Neoclassical realists often quote Robert Gilpin: when a state’s power increases, it will try to “increase its control over its environment... it will try to expand its economic, political, and territorial control; it will try to change the international system in accordance with its own interests” (1981, 94-5). The objective of states is to “increase their influence over the behaviour of other states [through] the use of threats and coercion, the formation of alliances, and the creation of exclusive spheres of influence” (24).

Christopher Layne’s work on US grand strategy represents one of the most comprehensive applications of the neoclassical realist causal chain, in that all three variables are operationalized and linked. It also sheds light on what is meant by ‘influence-maximization’, though Layne does not use the term. He defines power in terms of an aggregate of economic and military capabilities, and as a means to realize or shape specific political outcomes: “those who control power also harbour goals and aspirations, and it is not strange that they should use the one to serve the other” (2006, 30). Through its grand strategy of extraregional hegemony, the US has sought since the 1940s to “expand its political and territorial control” and “to create an international political environment” conducive to the pursuit of its interests (30). The US has thus sought to “create an international political environment that is hospitable to openness” and stability. To do this, it has taken on the role of ‘hegemonic stabilizer’, developing a vested interest in the stability and liberalization of other countries, especially in Eurasia (33-4).

#### *Neoclassical realism as a ‘theory of mistakes’*

A debate has emerged in recent years over whether neoclassical realism should be viewed as a ‘theory of mistakes’, a term first proposed by Schweller (2006, 10). This view, further developed by Rathbun (2008), argues that neoclassical realism provides a framework which differentiates ideal from actual state behaviour. The ‘ideal’ or baseline foreign policy is guided solely by structural incentives and constraints, and therefore conforms to neorealist prescriptions. Actual behaviour, however, rarely corresponds to this ideal, especially in the short term. The deviation is explained by the intervention of domestic variables, such as ideas and perceptions.

For Waltz, states are free to “do any fool thing they care to, but they are likely to be rewarded for behaviour that is responsive to structural pressures and punished for behaviour that is not”. He also posits that the dominant goal of states is to maximize security (2003, 53). The system points states in the direction of an ‘ideal’ foreign policy yet, in reality, states regularly ‘deviate’ from this ideal, pushed in other directions by domestic ‘pathologies’ (a term proposed in Snyder 1991). Rathbun has thus argued that neoclassical realism should be viewed as a logical and necessary extension of neorealism. It is ‘a theory of mistakes’: it explains how domestic

factors distract “from ideal foreign policy as understood by neorealism” (2008, 312), which provides a “baseline of what an ideal rational unitary state would do” (319). Neoclassical realism “begins with the premise that ideal state behaviour is that which conforms with the unitary actor and objectivity premises of neorealism but shows that when these conditions are not met empirically, domestic politics and ideas are the culprits” (312). States that stray too much from ideal behaviour, then, are will suffer “severe consequences” (317). Layne’s study of US foreign policy exemplifies this approach (2006). He argues that US foreign policy since the 1940s has been based on a grand strategy of ‘extra-regional hegemony’, an approach which he considers mistaken. In his view, the US should rather adopt a grand strategy of ‘offshore balancing’.

Not all neoclassical realists share this approach, however. Zakaria, in particular, does not deal with ‘mistakes’ and ‘severe consequences’, but rather identifies an ‘anomaly’, the imperial understretch of US foreign policy in the 19<sup>th</sup> century. This runs counter to the predictions of defensive and classical realism; in contrast, his ‘state-centred’ realism, he argues, provides a better framework (1998). His ambition is to explain this anomaly, but not to prescribe how the US ought to act (or to have acted).

I adopt a position closer to Zakaria’s, but integrate elements from Rathbun’s. Like Zakaria, I start with a puzzle, the increasing assertiveness of Iranian foreign policy, and argue that it can be best explained by neoclassical realism. I do not intend to follow Layne’s approach and propose a grand strategy that Iran should follow. I will, however, explore Rathbun’s prediction of ‘severe consequences’ for states which do not follow the dictates of the system. In particular, it is not clear how to reconcile Rathbun’s argument with Zakaria’s position that states are influence-maximizers. Perhaps it is the case that ‘ideally’, states should respond to structural pressures only, so as to maximize their security. In reality, because states cannot ignore domestic pressures, they seek to maximize their influence (or their power). It is such behaviour – power- or influence-maximizing – which is responsible for the severe consequences Rathbun predicts. This raises interesting questions in Iran’s case. What are those consequences? Does Iran’s behaviour seek to maximize power, security, or influence? What is the effect of the three intervening variables on steering Iran away from security-maximizing behaviour?

### **The three intervening variables: perceptions, identity, and factional politics**

Three intervening variables are identified as important determinants of Iran’s foreign policy: perceptions, identity and factional politics. This order is not necessarily a matter of salience, but rather of increasing specificity. Increased power, first, and then perceptions, identity, and factional politics act as filters that gradually narrow or constrain the range of possible outcomes.

#### *Perceptions*

Neoclassical realists accept the structural realist premise that anarchy is the most important variable conditioning state behaviour. However, they criticize the view that there is a ‘real’ distribution of power ‘out there’ that directly influences the outcomes of state interactions, “irrespective of the intentions, desires, or perceptions of statesmen” (Wohlforth 1993, 6). If power influences international politics, “it must do so largely through the perceptions of the people who make decisions on behalf of states” (1993, 2). Wohlforth’s objective is to “describe

changes in Soviet elite perspectives on one specific aspect of international relations, the balance of power” (1993, 28). He identifies four cycles of superpower crises and détente during the Cold War, and shows that when power shifted, each side interpreted the change differently and tried to maximize its position. Unwilling to go to war, the superpowers would muddle through the crisis until their perceptions of the new distribution of power would converge, leading to a period of relative calm – until the next shift in power. Underlying these cycles was a hierarchy to which both implicitly agreed: the Soviet Union sought a greater role, whereas the US, perceiving its own capabilities to be greater, sought to deny the USSR the opportunity to catch up. Wohlforth admits, however, that “perceptions” are difficult to measure; “neat perceptual patterns” are unlikely to be obtained. In this context, one “accepts a cruel but familiar trade-off of rigor and parsimony in favour of richness and detail” (1993, 15).

I will follow the guidelines put forth by Wohlforth (and Friedberg 1988; Zakaria 1998) for the definition and use of ‘perceptions’ as a variable. Taking ‘perceptions’ into consideration is complex, but as Wohlforth and others posit, it is both possible and important. In this case, the Iranian leadership has overestimated its increasing relative power, just like the perceptions of shifts in relative power by the Soviet and American governments, during the Cold War, were inaccurate. Such a mistake is by no means historically unique: “differences in the perceptions of power must be regarded as the rule rather than the exception” (Wohlforth 1993, 301). Concretely, the effect of ‘perceptions’ as an intervening variable is as such. Capabilities shape intentions; more precisely, perceptions of one’s own capabilities shape one’s intentions. Conceptually, this can be seen as a two-step process, whereby the analyst must first understand a state’s relative power, and then the state’s perception of its relative power. Here, Tehran’s increased assertiveness has been driven by a combination of its improved relative power *and* its ‘inflated’ perception of this shift.

### *Identity*

The second intervening variable studies how identity acts as a further transmission belt between systemic pressures and foreign policy outcomes. The regime’s perception of its increased power leads Tehran to pursue expanded interests abroad; the regime’s identity shapes these interests, by narrowing or constraining the range of possible options. Identity thus provides “a reasonable basis for expectations concerning [a] nation’s future comportment” (Dittmer and Kim 1993, 31). In this thesis, I use ‘role-identity’, the third kind in Alexander Wendt’s typology of state identity (1999, 224-33).<sup>1</sup> Role-identity builds on the work done by Kal Holsti and others, who argue that ‘national role conceptions’, the self-perception by the foreign policy elite of their country’s international role (1970), are a key determinant of a country’s ‘role performance’, the “attitudes, decisions, and actions governments take to implement their self-defined national role conceptions” (Holsti 1970, 240). Role-identity goes beyond this conception, which Wendt criticizes for being solely focused on elite beliefs. Role-identity remains a unit-level concept, but adds an intersubjective layer: to the intrinsic properties of the Self, it adds the constitutive role of the Other’s counter-identity in shaping who the Self is (Wendt 1999, 227).

With this in mind, I propose a typology of role-identities, built around two axes: state intentions and aspirations. ‘Intentions’ refer to a state’s view of the prevailing regional or international order; a state can favour the status quo, or have limited or unlimited revisionist

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<sup>1</sup> The other three are personal or corporate identity, type identity, and collective identity.

aims. ‘Aspirations’ refer to a state’s ambition, or the status to which it aspires: to be a small, regional, or great power.<sup>2</sup> Along both of these axes, the constitutive role of the Other, or the intersubjective understandings prevalent in the states system, play a central role in shaping the Self. Iran’s complex and hostile relation with the US – the ‘Great Satan’ – is especially important. The Islamic Revolution, which played (and still plays) an important role in shaping the regime’s role-identity, was largely predicated on a deep opposition to the US-backed Shah. US meddling in Iran, dating back to the 1953 coup against the nationalist Prime Minister Mossadeqh, was often criticized by the father of the revolution, Ayatollah Khomeini, and his allies, and was a precious tool to mobilize crowds. In addition, a defining moment in fashioning the new regime’s identity was the take-over of the US embassy in Tehran, and the holding of 52 hostages for 15 months in 1979-81. Other regional oppositions also serve to establish and cement this identity: Iran’s is a Shia, Persian, and religious government, living face to face and often in tension with Sunni, Arab, and conservative governments, many of which are monarchies.

According to this typology, there are nine possible positions along a 3X3 matrix. I assume that Iran’s aspiration is to be a regional power; three possible role-identities can therefore be ascribed to it: status quo, limited aims revisionist, or unlimited aims revisionist aspiring regional power. I will argue that the Islamic Republic is a revisionist aspiring regional power, but one with limited aims. This implies that it seeks to change incrementally the prevailing regional order with the objective of achieving what it perceives to be its rightful status in the system.<sup>3</sup>

### *Factional politics*

The third intervening variable takes into consideration the labyrinthine power struggles within the regime and their effect on foreign policy. Students of Iran have long recognized the impact that domestic politics have on foreign policy (Abrahamian 1978; Bakhtiari 1996; Rajaei 1999; Smyth 2006). The premise on which this variable is based is the alleged position of the Supreme Leader as the ‘balancer-in-chief’: he is not an authoritarian decision-maker, but rather a consensus-builder who takes decisions at least partly on the basis of what he sees as a rough ‘average’ of the views of the regime’s many competing power centres. As a consequence, it can be assumed that – very roughly – because major foreign and security policy decisions represent a balance within the regime, when this balance shifts in favour of one group or another, the country’s foreign policy can be expected to change in a corresponding direction (Juneau 2007). The impact that factional politics can have on foreign policy is constrained, however: outcomes of internal struggles must remain within the bounds set by the regime’s identity, the preceding variable. It is in this sense, as was explained above, that intervening variables can, conceptually, be seen as progressively narrowing the range of feasible options.

The framework for the conceptualization and operationalization of this variable borrows from different approaches. The starting point is structural functionalism, which depicts the state

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<sup>2</sup> A gap between perceived capabilities and aspirations reveals a status discrepancy, and can lead to revisionism. Iran’s relative power serves as the main driver of its foreign policy, or the independent variable. The discrepancy between the aspiration axis of its role-identity and its perception of its actual standing is an important source of its assertiveness.

<sup>3</sup> The thesis will propose indicators or criteria to make this case, and to operationalize the identity variable. As an example, in the case of the nuclear program, these could include: energy and resources invested in the program, pace of progress; hints at eventual nuclear policy (e.g., peaceful purposes, no first-use); cooperation with the IAEA (e.g., full cooperation, stalling, booting inspectors out); stridency of leaders’ rhetoric (e.g., references to the ‘natural right’ of the Iranian people to nuclear energy or to ‘imperialist’ efforts aimed at stymieing its development); and proliferation behaviour (e.g., strict safeguards in place, ambiguity, technology or material transfer to allies such as Syria or Hezbollah).

as a ‘strategic battleground’ in which classes ‘fight it out’ to determine, or seize control of, policy (see Carnoy 1984 for a review of key literature). Second, this notion of a balance among domestic interests is a classic pluralist view. Walter Russell Mead, for example, writes that US “foreign policy rests on a balance of contrasting, competing voices and values – it is a symphony... rather than a solo” (2002, 54). A parallel can also be drawn with the literature on bureaucratic or organizational politics, according to which decisions are taken as a result of the ‘pulling and hauling’ among bureaucratic or organizational actors (Allison, 1971; Sagan 1994). Interestingly, one of the main criticisms aimed at these approaches – that they overemphasize the weight of bureaucratic actors and neglect the broader context – can be seen as favouring their incorporation into broader frameworks, such as neoclassical realism (for such criticism, see Krasner 1972). Finally, also useful will be neoclassical realist studies that take into consideration domestic interest groups (Ripsman 2009) and elements from pluralist theory (Schweller 2006).

### **The issue areas**

Three core issue areas of Iranian foreign policy will illustrate the country’s increasing assertiveness, and a chapter will be devoted to each. These areas – the nuclear program, relations with Iraq, and the Arab-Israeli conflict – are representative of and central to the country’s overall objectives abroad. Iran’s relations with the US serve as a pervasive underlying factor in all three rather than as a separate area. I briefly introduce one area here, Iran’s policy relative to the Arab-Israeli conflict, and illustrate how some of the intervening variables can account for the increased assertiveness.

#### *The Arab-Israeli conflict*

Iran’s opposition to Israel is a core pillar of its foreign policy. Though it was initially partly based on revolutionary ideology, it has gradually evolved into the result of a largely rational calculation (Menashri 2007). Tehran’s thinking is now based on the assessment that it has much to lose from progress in the peace process, as this could increase its isolation and cost it one of its key tools of regional leverage. Tehran believes it gains much, domestically and regionally, by being perceived as the regional leader of the opposition to unpopular Israeli and US policies. Iran supports rejectionist groups, such as Hezbollah in Lebanon and Hamas and Islamic Jihad in the Palestinian Territories. This support, which ranges from rhetorical and political to military and financial (Parsi 2007), has grown qualitatively and quantitatively in recent years, as part of the general trend towards greater assertiveness in Iranian foreign policy.

The thesis will determine which strategies form the core of Iranian foreign policy, and link these strategies to their international and domestic determinants. To achieve its foreign policy goals, Tehran has traditionally had recourse to a combination of conventional tools with asymmetric ones.<sup>4</sup> With regard to the latter, one of Iran’s key assets is its ability to use spoiling strategies, by seeking to hinder regional developments that it assesses run counter to its interests (Pearlman 2008/09 and Stedman 1997). Iran’s behavior since 1979 has indeed been deeply influenced by its relative weakness in conventional terms vis-à-vis the US, the dominant regional player and its main enemy, and Washington’s regional allies. Spoiling strategies include support for terrorist organizations, which allows it to considerably hurt US interests. Another tool is its

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<sup>4</sup> Asymmetric or unconventional capabilities can be employed by a weaker actor confronted with a significant or overwhelming power differential with an enemy (Mack 1975). On one element of this arsenal in the Iranian case, see Tarzi (2004).

influence in the 'Arab street', where it is often seen as a leader in the 'resistance' against widely resented US and Israeli policies. Iran's leaders master the art of pressuring their neighbors through inflammatory anti-American or anti-Israeli appeals to the Muslim community, or *ummah*. Many conservative Sunni Arab governments have adopted pro-US positions and have stopped calling for the elimination of Israel, something that is unpopular on the Arab street. Aggressive rhetoric allows Iran to pressure regional governments to forego dialogue or rapprochement with Israel, by seeking to drive a wedge between Arab governments and their populations when they pursue non-confrontational policies. This increases the already high cost of supporting, let alone being actively involved in, the peace process.

The attraction of spoiling strategies is linked to a key objective underlying most calculations by Iran's rulers, regime survival. It is widely believed, especially in hard-line circles, that opening up the country economically or politically would threaten the regime, and that survival is best assured by keeping Iran isolated. Spoiling is a key element of this thinking, as it aims to undermine regional political developments that could run counter to the Islamic Republic's perceived interests – that is, to those of the ruling elite – thereby perpetuating the country's isolation. By dint of long practice, spoiling has gradually become central to regime thinking, and is now closely tied to the regime's identity and is closely intertwined with attempts to ensure its survival. This priority given to regime survival raises interesting questions here, primarily in terms of the debate between power-, security-, and influence-maximization.

What will happen if, hypothetically, Iran's relative power keeps on increasing (if, for example, it acquires a functional nuclear weapon, oil prices remain high, and domestic political stability improves)? Tehran's assertiveness would further rise, and it would then intensify its reliance on spoiling strategies. Positive developments in the peace process would then be met with renewed and strengthened spoiling efforts. This suggests a vicious circle: hypothetical progress would be met with Iranian spoiling, which would anger Washington and therefore feed tensions between Iran and the US. At some point, however, as the imbalance of power lessens, spoiling may progressively lose its attractiveness, to the benefit of more conventional strategies. In addition – and this is where a neoclassical realist framework proves useful – the regime's translation of such a further increase in relative power into external behavior would be affected by domestic factors. In particular, the balance of power among domestic factions could tilt the combination of conventional and asymmetric means closer towards the former in the case of a rise of moderate forces, or towards the latter in the case of a rise of hard-liners.

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