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Title: Iran's strategy against the containment policy of
US: balancing, bandwagoning or bargaining?

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ABBREVIATIONS

- AIOC -Anglo-Iranian Oil Company
- AEOI Atomic Energy Organization of Iran
- CISNU-Transnational Confederation of Iranian Students National Union
- ISA- the Iranian Students Association
- IAEA-International Atomic Energy Agency
- IRGC-Iran's Revolutionary Guard Corps
- JPA-Joint Plan of Action
- JCPOA-Joint Comprehensive Plan of Action
- SAVAK- literally "Organization of National Intelligence and Security of the Nation"
- SCIRI-Supreme Council for the Islamic Revolution in Iraq
- SWIFT-The international system for transferring funds
- USAID-United States Agency for International Development
- NPT- Nuclear program of Iran
- NSC-National Security Council
- NPT-Non-Proliferation of Nuclear Weapons
- UNSC-United Nations Security Council

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ABSTRACT

The relations of the United States and Iran is an actual topic in the field of international relations and most research focuses on relations for many year. Since latest decision of Donald Trump regarding withdrawal, the strategy of Iran against the US policy deserves more attention. Also due to its character of being latest and ongoing, this topic forms a research gap and this study could provide a new perspective to the strategy of Iran. The purpose of the thesis is to evaluate the strategy of Iran against the containment policy of the United States and examine it in terms of theoretical framework was included bargaining, balancing and bandwagoning strategies.

This research project thus seeks to examine how Iran as a regional power copes against the unilateral sanctions of the US. Thesis aimed to give theoretical explanation to the strategy of Iran as well, which makes project more valuable.

To start, theoretical framework regarding strategy of states, alliance formations will be explained. Following, the historical background of the relations between two states will be examined for better understanding of current developments. Later, Iran's foreign policy will be examined to explain the strategy against containment policy of the US. In the end, the consequences regarding the bargaining power of Iran and its self-sufficiency will be presented as tools against containment.

INTRODUCTION

The relevance of the topic. Given the latest decision of withdrawal from the Joint Comprehensive Plan of Action (JCPOA) and renewed sanctions on Iran by the Trump administration, an assessment of the strategy of Iran and current relations, in particular, is needed.

Certain definitions of previous developments have been traced to identify the relationship. Detailed accounting of key events such as the involvement of the Central Intelligence Agency (CIA) in the 1953 coup that overthrew Iranian Prime Minister Mohammad Mossadeq, the Iran contra affair, the Iranian Revolution of 1979 and the subsequent hostage crisis in the relationship between Iran and America is not the purpose of the thesis. However, it is significant to arrive at a clear understanding of the strategies of Iran and America to each other. That is why these events have been emphasized briefly with the intention of highlighting the way these events have been understood how both sides have shaped each country's perception of the other.

The United States (The US) has not had a diplomatic presence in Iran since 1979 and has had to depend on intelligence and assessment from third parties.

America's interest in the Middle East consist of four main factors. First, energy security upon free flow of oil, as well as preventing the emergence of an oil-rich state, such as Iran in the area. Secondly, the nuclear proliferation due to it limits their ability to project conventional military force. Thirdly, counterterrorism especially after 9/11 in order to prevent the emergence of safe spaces for terrorist organizations. Finally, the State of Israel's security, which began during the Cold War. They are affected, in turn, by Iranian behaviour and influence.

Iran's nuclear issue has vexed the global community for decades. The withdrawal of the Trump administration in May 2018 from the 2015 nuclear agreement signed by six world leaders and Iran marked as a turning point of recent developments. The US have sought to renegotiate a broader, stronger agreement with Iran, limit its nuclear efforts, and what Donald Trump says its malignant impact in the region. Washington re-imposed sanctions as part of a "maximum pressure" campaign to alter the behaviour of Tehran with justification of that the agreement did not properly restrict Tehran's nuclear program or resolve its missile program, human rights abuses, and terror aid. Tensions between Iran and the U.S. escalated over tanker attacks in the Gulf of Oman in 2019. This new "maximum pressure and negotiation" tactic has very explicit aspects that the United States has attempted to enforce, but the consequence and the future remain unclear.

The thesis attempts to describe Iran's strategy against containment policy and its resistance to internal stresses and embargoes. Those developments helped Iran as a whole develop as a self-sufficient country and effectively engage both on the global economy and in politics. Significant point is that, nevertheless the JCPOA, newly imposed sanctions, any specific American policy or strategy in the region, Iran has not reduced its influence or changed its foreign policy path. Although the American withdrawal from JCPOA has worsened the financial situation of Iran, it led to higher unity in the domestic sphere.

The hypothesis of the thesis is that if regional powers can reach self-sufficiency, their bargaining chances with great powers increase.

As a bargaining chip, Iran uses the nuclear threat in its strategy of negotiation. Iran sees the bomb simply the route to get what and where it intends, with or without the bomb. As a regional power the ability of Iran to cope with pressures shows that, the Trump administration's strategy

is not successful in long term. Moreover, the result may backfire since the complicated situation in the Middle East. Therefore, although the White House intention regarding that Iran's oil export should be zero, Iran can manage it thanks to smuggling and the temporary waiver granted by the U.S. Until recently, Iran pursued a policy to wait out the Trump administration, that considering whether one Democratic president was elected in 2020 would take the U.S. back to the nuclear agreement. Thus, despite the U.S. withdrawal in May 2018, Tehran has mainly complied with the JCPOA's limits. When the U.S. doubled down on maximum pressure to get expected containment strategy effect, stating that it would no longer issue waivers allowing other countries to buy Iranian oil, Iran chose to alter the game's rules through its nuclear program.

Therefore the Iranians have started to move back from some of their JCPOA commitments with the objectives of either to place strain on the Europeans to offset the U.S. sanctions economically or to place pressure on the Trump administration to alleviate its strategy of sanctions.

Another issue is that, it could be risky for the safety of the Persian Gulf whether Iran's oil exports are decreased to zero. Of course, the possibility of secret transactions with Iraq, Russia and China could not be ignored. Two consequences in the Gulf, Iranian nuclear weapons development, or a war with Iran are worrying Western leaders. Making both results more probable, Iran seemingly hopes to force U.S. and European leaders to reconsider their strategies and figure out ways out of the escalating conflict.

Moreover, Iran has chosen to reform its budget structure and has realized that it should not be so reliant on oil throughout its history. Sanctions could be viewed as a chance for Iran, according to recent developments in Iran's self-sufficiency level. Structural reforms and prevention of

corruption seem to be the best way to stop the economic situation from deteriorating.

The purpose of the thesis is to evaluate the strategy of Iran against the containment policy of the United States and examine it in terms of theoretical framework was included bargaining, balancing and bandwagoning strategies. Therefore, the **questions** can be raised:

- How does Iran as a regional power cope against the unilateral sanctions of the US?

More sub-questions that are specific are:

- To what extent Iran's self-sufficiency help to encounter with sanctions?
- How does Iran use its bargaining chance to encounter against sanctions?

Tasks of the thesis. For achieving the goals, which set in work, it was necessary to solve the following tasks:

- To identify substantial consequences of the rise of regional powers in terms of theoretical framework
- To distinguish alliance formations of balancing, bandwagoning, bargaining and to examine which one of them is appropriate in which situations.
- In order to great understanding and analysing strategy of Iran against US policy, to examine the historical background
- To study the reasons behind Islamic Revolution of 1979, and evaluate hostile relations of post-revolutionary Islamic state and America.
- To identify the beginning of the containment policy of the United States in the framework of dual containment policy

- To trace the events which lead to reconciliation under the name of Joint Comprehensive Plan of Action.
- To examine foreign policy of Iran after the withdrawal of the United States from nuclear deal on May 2018.

Research novelty. An analysis of the literature in this topic shows that there are a number of works in the world dedicated to the issue of relations of The US and Iran, their historical background, Islamic Revolution of 1979, the consequences of Joint Comprehensive Plan of Action, etc. However, the research on the strategy of Iran against containment policy of the United States lacks critical investigation due to its character of being latest and ongoing. The research attempts to study the topic from the literature of both sides and daily latest news in order to bring clear and thoroughly information. I have also attempted to developed theoretical approach to behaviours and strategies of regional powers in terms of Iran and the United States relations. From this point of view, the scientific novelty of this work is determined.

Analyses of the literature:

A number of works have been published on US-Iran relations, the Islamic revolution of 1979, Iran's nuclear ambitions and many scholars have written about these historic events. Most articles and work cover the relations of the US and Iran, in general. However more specific work on the strategy of Iran against containment policy of the US, especially after the withdrawal of Trump from nuclear deal is rare to be found due to its character of being latest and ongoing. Therefore, literature about the strategy of Iran after the fall of nuclear deal is uncommon. Robin Wright's article "The origins and future of the Iran Crisis" (2019) foregrounds where the crisis between the U.S. and Iran is headed and how tensions between the U.S. and Iran have reached this crisis point. The book "The origins of alliances"(1985) written by Stephen M. Waltz helps to

understand the strategy of states in the case of foreign threat, however also used in order to give a theoretical basis to Iran's strategy against containment policy. However, in that book little attention was given to the bargaining as a policy.

Fozia Jan's article "Iran towards self-sufficiency" (2016) covers Iran's strategy from the internal perspective. Sarhang Hamasaeed's article "Iran looks to shore up its influence in Iraq" (2019) and website assessments of Stratfor Enterprises "Iran's strategy for surviving U.S. sanctions" covers Iran's strategy from the external perspective.

The deficiency of these literatures is their character of being informative rather than analytic. Another gap is that the broad analysis of strategy of Iran in terms of both internal and external policy is rare. Critical and comparative analysis of Iran's strategy both foreign and domestic against the containment policy of the US has been explained with theoretical framework in this thesis, which could contribute to closing that gap.

Methodology of thesis. The paper uses qualitative research to understand the main aspects of the strategy of Iran against containment policy of the United States and current ongoing developments. Therefore, study examined a number of books, scholarly articles and research, and internet materials, especially latest news regarding the thesis topic which is enough actual. I have tried focus on more contemporary issues of US-Iran relations, however in order to better understanding of current developments, I have examined and wrote the previous events which have great impact on current regards of states towards each other. The first and second chapters are mainly based on books due to great amounts of books on historical background of the US and Iran, events such as 1951 CIA coup, Shah Regime, 1979 Islamic Revolution, hostage crisis, comprehensive nuclear agreement.

However the lack of books on contemporary relations and events, there are enough materials and daily news on internet which helped me to broadly analyse and understand the relations of the US-Iran, strategies of both sides especially on nuclear deal issue, and foreign policy of Iran.

The structure of the thesis. The structure of the thesis is determined by the purpose and objectives of the study. The work consists of an introduction, three chapters (included a total six sub-chapters) conclusion and references.

I CHAPTER. Theoretical Framework

1.1. Regional and Great Powers in Power Games

Great powers refer to the countries which differ from others with their power. In general, great powers occupy a leading position in the international sphere due to their sources wealth, the types of armed forces they build. Regional powers may be the most powerful countries in their particular region, but not globally. The reason behind this is acting of great powers in conjunction with their smaller neighbours to prevent this. So, the requirement for being a global great power is having both the will and the capacity to advance and defend one's interests on a worldwide basis. The theory asserts a hierarchical international system with a leading power at the top and great powers, middle powers and small powers subordinated.

In fact, great powers can be differentiated by the criteria that they can only be defeated militarily by another great power and they also seek to express a global view that is centred on national interests far from their home territories. The great powers commonly have the greatest military forces in the world and the greatest economies to pay for military forces and other energy capacities. These huge economies, in fact, are based on certain mixture of large populations, extensive natural resources, sophisticated technology, and qualified labour forces. (Joshua S. Goldstein and Job C. Pevehouse, 2014, pp. 49-62)

As one of the original founders of neorealism, Kenneth Waltz's claim "the story of international relations is written in terms of great powers of an era". (Temperley, 1936, p. 44) The issue with this explanation is that this viewpoint does not donate the importance of regional powers, and the moment of great and regional powers interactions. For example, some regional powers can be seen as potential great powers over time.

The gradual evolution of the US, the rapid transformation of Japan into a massive empire is the real proofs of this argument. Lately, China has been on the headlines of media as a rising power. Looking further, India also has the potential for transforming to great power.

Waltz claims that the anarchical character of international politics implies countries must behave in a manner that guarantees their safety above all else, or risk falling behind. (Montgomery, Evan Braden, 2016, p. 5)

Of course, not all regional powers have what it takes to end up a pole in the international order. Even still, they are often “pivotal states” that determine the stability and security of their neighbourhoods. Thus, they can discover themselves in the crosshairs of exquisite powers that are searching to shield their interests, preserve their influence, or enhance their role relative to other outside actors. This is especially proper when the local distribution of electricity is in flux and warfare breaks out. If a rising strength in a peripheral vicinity challenges the status quo, then excellent powers in widely wide-spread and the leading country in specific have to decide how to respond—a choice that can determine the future of that vicinity and, in some cases, the global machine as a whole. (Montgomery, Evan Braden, 2016, pp. 12-16)

Although the scarcity of research, attempts to explain why established great powers accommodate or oppose rising regional powers, there is no scarcity of research on how they manipulate the rise of peer competitors, most of which can be observed within the realistic camp. Although their heavy similarities, different versions of realism highlight contrasting positions on several core issues, such as whether or not the ordering principle of global politics is anarchy or hierarchy, and whether parity between nations is a deterrent to hostilities or an integral circumstance of war. Thus, the two major theory-balance schools of power realism and

power realism preponderance highlight a wide variety of arguments that show how great powers react when global power shifts occur.

The rise of regional powers can have substantial consequences both locally and globally. The most significant statements can be briefly summarized. If a main state has little reason to worry about taking over a peripheral area by means of a local actor or an external power, then it must no longer have a strong preference when it comes to the kind of order that exists there. The rise and fall of the states are one of the significant developments which directly affect the current international relations and status quo. A rising power may challenge the reigning order by demanding status and benefits relative to its power. It will try to reshape the existing standards, rules, and order by initiating conflict against established great powers.

First of all, a rising power may undermine and perhaps overturn the status quo in its neighbourhood to its own preference. At this moment, established great power directly pay consideration and might even intervene in the case whether they conclude that the changes taking place assist or damage them in some way. In here the key point is related with the will of rising power. First step to understand regional and great powers' behaviour in power game is directly related whether a leading state favours regional parity, whether it favours regional primacy, or whether it is impartial between these alternative orders. The assessment of certain risks, in particularly the risk of access denial and the risk of containment failure should be taken into consideration by a leading state while determining its preferences. In the case of both of them is low, a leading state will favour impartiality, because main interest is preserving local stability and preventing any regional conflict that can happen. A leading state will prefer regional parity if it worried that a local actor might restrict the presence of outside powers in its neighbourhood. Finally, if

a leading state is concerned about the prospect of exterior intervention, then it should have a choice for regional primacy rather parity or impartiality. (Montgomery, Evan Braden, 2016, pp. 20-22)

Regional power is an actor whose power significantly different than other actors within the same region and it varies from others with its leadership role within the region. Detlef Nolte claimed in his scholarly article, that regional powers deploy their impact with cooperation.

What about Iran ambitions for regional supremacy? From a neorealist point of view, Iran's possibility of being a nuclear power is simply acceptable if not desirable. There are several elements which give the country the potential for being major player in the region. In the case of Iran these elements are its geographical location which makes country strategically important, its oil and gas reserves of the Persian Gulf and the Caspian Sea total over 60% of the global oil and gas reserves. Since the revolution, Iran has cut its diplomatic ties with the US and favour "Eastward" orientated political stance. Historically, Iran has had significant relations with several countries in Central Asia.

These relations have taken a new shape after revolution, making closer linkages with the East in arrange for Iran to set up itself as a regional power. Subsequently, on Iran's approach to the Indian Ocean Region is crucial. The Islamic Republic has intent to turn Iran into a regional player by acquiring nuclear energy and make country self-sufficient. (Farhang Morady, 2011, pp. 5-6)

1.2. Balancing, Bandwagoning or Bargaining?

The study of international relations mainly focuses relations between states. Historically, the state was a security arrangement and now it maintains that element actual.

In international relations, the most central issue of states which is the main topics of debates is ensuring their own security. As Thomas Hobbes claimed, without security 'there is no place for industry... no arts, no letters, no society; and which is worst of all, continual fear, and danger of violent death; and the life of man, solitary, poor, nasty, brutish, and short' (Thomas Hobs, 1651, p. 78)

Why the concept of security is so essential? It is obvious that human beings can enjoy the advantages of living in society together with others without any risk. Isolated Robinson Crusoe lived in highly secured conditions because there is nobody to create danger. For that security, there should be no interaction, no communication and no cooperation which is impossible for contemporary era. This explanation is true for state interactions as well. As a result, security is a core value of international relations. Of course, it is obvious that states can never be completely safe. That is why security policies are crucial.

For preserving security there are several ways. One of them is using diplomacy to strengthen alliances and isolate threats.

Generally, alliances can be seen as a response to threats. Stephan Walt in his book titled "Origins of alliances" touched to that issue of alignment. He highlighted two types of alliance formation: balancing and bandwagoning. Balancing refers to ally in opposition to the principal source of danger. Bandwagoning refers to ally with the state that poses the major threat. S. Waltz claims that since aggressors will face combined opposition in the case of balancing, states are more secure if

balancing is more common. Vice versa, security is scarce due to aggressors are rewarded if bandwagoning outweigh balancing. (Stephen M. Walt, 1985, pp. 155-167)

If balancing is more common than bandwagoning, then states are more secure because aggressors will face combined opposition. Status quo states should therefore avoid provoking countervailing coalitions by eschewing threatening foreign and defence policies. But if bandwagoning is the dominant tendency, then security is scarce because aggression is rewarded. A more belligerent foreign policy and a more capable military establishment are the logical policy choices. Although both of these hypotheses have been examined by scholars and embraced by statesmen.

Balancing as an alliance formation lies to the traditional balance of power theory of realism. According to this hypothesis, states create alliances in order to avoid threat posed by stronger powers. One of the main logic behind balancing is that states should restrain a potential hegemon before it becomes too strong in order to preserve their own survival. Allying with the dominant power implies putting one's trust in one's benevolence. The safer strategy is to join those who cannot easily dominate their allies rather those who can.

Similarly, Henry Kissinger thought it was better to align with the weaker side and respectively supported rapprochement with China rather than Soviet Union. Another main logic behind balancing is about the new member's influence. What does it means? Since the weaker side has a need for assistance, it will increase the new member's influence. Due to it adds relatively less to the coalition, joining the stronger side, relatively reduces the new member's influence. Therefore, H. Kissinger came to conclusion regarding alignment that it would better to ally with weaker side.

Balancing as a formation of state alignment based on theory of balance of power. The balance of power is one of the oldest and most significant concepts in international relations theory. While there are many variations in balance of power theory and interpretations of this concept, they are all based on the minimum of a tendency and the maximum of a law's recurring equilibrium model. This concept based on the guarantee of the survival of major powers in the international system through restoring equilibrium among actors. According to this model, equilibrium is restored by checking imbalances and concentrations in military and material capabilities among the great powers. In order to restore the balance, there are several mechanisms of great powers such as inner military build-up where economic wealth is transformed into military force, the development of counterbalancing alliances, the transfer of equilibrium to another state, the partition and compensation in post-war peace settlements, and emulation. But, several research on alignment issue highlight secondary states are more willing to bandwagon or join with more powerful state or alliances of states rather than balance against it.

As structural realism, developed by Kenneth Waltz in *Theory of International Politics*, the anarchic self-help system and variations in the relative distributions of capabilities imply that balance of power is recurring in the international system. The distribution of capabilities among the great powers affects balancing of states. In bipolar power distributions (2 major powers) countries will balance through inner military buildup rather by forming counterbalancing alliances which happens in multipolar power distributions. (Kenneth N. Waltz, 1979, pp. 145-147) Subsequently, John Mearsheimer-an American political scientist and international relations scholar claimed that the responsibility of balancing is probable to transfer the buck of balancing to a "buck

catcher” in balanced multipolar distributions of power. (John Mearsheimer, 2001, p. 157) Currently, in the somehow unipolar distribution of power, several academics assert that countries engage in soft balancing and leash slipping instead of traditional hard balancing. One the other hand, some scholars argue that there is no balance and that the imbalanced or unipolar distribution is both stable and durable. Balance of power politics has deeply affected international relations since the 16th century. But in latest years with the sudden demise of the Soviet Union, growing U.S. authority, and increasing global institutions' prominence many academics have asserted that the theory of equilibrium of power is losing its significance.

As mentioned, a key tenet of both classical and neorealist theory is the balance of power theory that aims to offer a logical explanation to the alliance formation. According to neorealist idea, which emphasize the international system as anarchic, through maintaining and increasing their capabilities both defensive and offensive states can achieve their own survival in a self-help system. For suppressing the event of attack by hegemon and arise of potential hegemon, states should balance against potential hegemon. According to Kenneth Waltz, founder of neorealism, "balance-of-power politics prevail wherever two, and only two requirements are met: that the order be anarchic and that it be populated by units wishing to survive". This can be done by two ways: “internal balancing” and “external balancing”. “Internal balancing” refers that a states utilize inner initiatives such as financial capacity-building, smart strategies and increased military power. Respectively, "external balancing" refers forming allies to improve their safety. (Kenneth N. Waltz, 1979, pp. 168-175)

The balance of threat theory developed by Stephen M. Walt in 1985 is a branch of balancing and explains the reason behind balancing with the

threat. Differ from the traditional balance of power theorists, this theory place balance against threat rather than against power alone. Stephan Walt does not claim that the balance of power theory wrong, but incomplete. He also highlights the significance of power that affects balancing but argues that power is not the mere factor. Since bandwagoning placing trust to the aggressors' benevolence, realists favour balancing rather bandwagoning. Stephan Walt claims, states might choose balancing in peacetime, but whether they are on the losing side, they can bandwagon in order to "sharing gains of victory". (Stephen M. Walt, 1985, p. 157)

Bandwagoning as an alliance formation refers to ally with rather than against the hegemon side. More recently, American foreign policy commitments are justified with that bandwagoning hypothesis. John F. Kennedy claimed that "if the United States were to falter, the whole world ... would inevitably begin to move toward the Communist bloc. Respectively, Ronald Reagan supported the same beliefs: "if we cannot defend ourselves [in Central America] . . . then we cannot expect to prevail elsewhere. ... Our credibility will collapse and our alliances will crumble." (The New York Times , 1983) Generally, this hypothesis reveals a common belief which is that states are attracted to strength. It means much stronger the state is, much other states are willing to ally. Balancing and bandwagoning are usually considered in terms of power factor. The common view is that balancing is alignment with the weaker side, bandwagoning is alignment with stronger. This point of view ignores other factors which affect alignment. Power is not the only element in statesmen's calculations. The level of threat is also a vital element which should be taken into consideration while balancing and bandwagoning. The impact of aggregate power, proximity, offensive capabilities and offensive intentions to the threat is important to consider.

There is a hypothesis regarding bandwagoning is that small states bordering with great powers may be so prone to the bandwagon. (Stephen M.Walt, 1985, pp. 179-181)

In the theory of international relations, the war bargaining model is a means of representing potential profits and losses and the final outcome of conflict between two parties as a bargaining exchange. Bargaining as mutual efforts to impact others and an activity of power includes two or more sides, each attempting to affect the other more than it is affected by itself. Bargaining can be described as tacit or direct interaction in an effort to achieve agreement on an exchange of value— that is, tangible or intangible objects that are valued by one or both sides. The agreements as a result of bargaining process do not necessarily imply a fair exchange of value; many deals are clearly one-sided and unfair. But in broad view, bargaining whether fair or unfair contains an element of mutual benefit. Therefore, bargaining is described as an interaction where no one actor can profit without another experiencing a loss.

Thomas Schelling's deterrence model argued that military strategy was now equally, if not more, the art of coercion, intimidation, and deterrence. Schelling suggests the ability to hurt another state is now being used as a motivating factor (bargaining chip) for other countries to prevent it and impact the conduct of another state. The use of force to hurt as a bargaining power can be defined as the grounds of the deterrence theory. (Schelling, 1966, pp. 25-27)

II CHAPTER. United States-Iran relations

2.1. Relations before Iranian Revolution of 1979

Iran which was known Persia until 1935 and one of the greatest empires of ancient world was regarded by several scholars as the heartland of west Asia due to its unique location. Its geostrategic location between the Caucasus and the Indian Ocean gives access to more than one route to trade, people-to-people movement and much more. (Ervand Abrahamian, 2008, p. 56)

Iran, as many analysts acknowledge, has the potential to become the regional hegemon. Its shoreline dominates the northern coast of the Persian Gulf with a land of 1,648,195 sq. km, making it the eighteenth largest country in the globe. (Alex Edwards , 2014, p. 36)

Historically, Iran has been distinct from its neighbours with regard of its religious and often in confrontation with them.

Before the World War I, Iran, which was known as Persia, was under pressure of contenting British and Russian empires due to the desire of those empires to check the influence of their rival. Therefore, this consideration prevented Persia's integrity and independence. 1921 coup d'état led by Reza Khan, who was backed by Britain, brought a new government with a British influence.

The relations of the United States and Iran (Persia) first established with the treaty of Commerce and Friendship in 1856 and diplomatic relations initiated in 1883. American influence in region was limited before the WWII. During the war, British and Soviet Russia continued to exert influence on Reza Khan due to he tried to modernize Persia, which named as Iran in 1935 and his pro-German sympathies. Throughout the war interest of the United States on region rapidly increased because of Iran's massive oil reserves.

The issue of access to oil for the sustainability of Western economies intersects with the containment strategy made Iran a significant state in the eyes of the United States. Historian Mark Lytle has identified four main factors, which reflect US interests in Iran at that moment,: “the desire for secure Middle Eastern oil reserves, the State Department’s efforts to incorporate Iran into a new conception of American security, the department’s long-term efforts to contain the Soviet Union, and the faith in American exceptionalism.” (Ben Offiler, 2015, p. 18)

The Soviets desire was increase their influence on region due to gain access to untapped oil resources in northern Iran as well. Historian Galia Golan explains Moscow’s strategy toward Iran as an attempt to expand Soviet impact on its periphery. (Galia Golan, 1990)

Firstly, US personnel entered Iran for maintaining the flow of wartime material aid to the Soviet Union. During the period of containing Soviet Russia in Cold war, Truman administration initiated diplomatic pressure on Russia for its withdrawal. Since Iran sought for way to run away from Russian influence, it opened its door to American assistance.

In the developing informal anti-Soviet alliance in the Middle East, the Truman administration welcomed Mohammed Reza Pahlavi as an important partner as the Cold War heated up in the late 1940s. However, this partnership complicated by raising Iranian resentment towards Britain and Anglo-Iran Oil Company (AIOC). The reason behind it was that Iran nearly getting nothing from enormous profits, which came from exportation millions of barrels of oil.

From 1941 to 1953, there was a confrontation between different political forces seeking to map Iran’s national identity. (Kumuda Simpson, 2016) Iranian officials also believed that the United States could serve as a safeguard against British involvement in Iran, heavily affected by AIOC. Conservative government of Britain government under Churchill

supported American involvement in Iran because he considered it was necessary to prevent Iran from Soviet influence. The Middle East had been of strategic interest of the United States prior to the war for its having resource-rich factor. In addition, relationship with Iran gained vital importance especially in the context of Cold war.

Common complaints by Iran against the United States were its interference to Iran's internal affairs in pursuit of its own interests, which did often result in Iranian interests exploited and sacrificed. An outstanding example of this is American participation in the 1953 coup, which led to the fall of democratic Iranian Prime Minister Mohammad Mosaddeq's government. The election of Mossadeq as Prime Minister in April 1951 played a vital role at the nationalization movement (Reza Ghasimi, 2011, pp. 445-446) So that, Britain gained support of the United States in order to drive Mossadeq from power due to its decision to nationalize AIOC assets in Iran. The essence of this combined operation during August 1953 was British and American oil interests in Iran and growing nationalist movement there. During his term in parliament, Prime Minister Mossadeq had achieved substantial gains towards democracy. He tried to weaken the powers of the unconstitutional monarchy and Mohammad Reza Shah Pahlavi, and sought reforms in education, elections and law. (Abrahamian E, 1982) In the sense of the Cold War, US interventionism was largely justified; nevertheless, its influence on Iran over time has decoupled from its Cold War context and instead seen as evidence of American arrogance and disrespect for the Iranian state. (Kumuda Simpson, 2016)

Without a question, 1953 U.S. involvement in Iran is the most significant example of U.S. action to bring about regime change in the region. As a result, of this coup Shah came to power that rewarded the United States granting oil concessions to US firm. Shah also had a reason for

requesting American military aid and training for his intelligence service-SAVAK due to the Soviet threat. In the perspective of the US, Shah Regime was good enough at containing Soviet influence in the Middle East; moreover, energy needs of America and defence of Israel fulfilled by Iran. During that time, that level of relationship only satisfied US, Israel and Shah, it did little to benefit the majority of the Iranian population. The Shah created SAVAK in 1957, in order to preserve its power by systematically suppressing all opposition, imprisoning and torturing thousands of anti-Pahlavi militants with the assistance of the CIA. The Shah used to terrorize people who opposed him with SAVAK. In the early 1960s, Iran allied with Israel under American auspices participated to containment policy of the US.

Shah also initiated social and economic reforms in order to Westernize Iran in the early 1960s under the banner of the 'White Revolution'. Those reforms caused increasing resentment from Shiite clerics and the landed aristocracy. Those increased opposition to the Shah caused great campaign against regime, which driven by both religious and patriotic sensibilities under its leader Ayatollah Ruhollah Khomeini. The reasons behind resentments of Khomeini were Shah, his reforms under White Revolution and associated Western secularist policies. (Greg Ryan, 2018)

American officials paid little attention to the rise of oppositions. Over 5000 incomplete USAID projects in Iran detected by the US government investigation of aid to Iran during this era, referring to corruption and the government of Shah's apparent unwillingness to engage in social reform. (Ehsani Nia Sara, 2011)

In the years of 1960s, dozens of demonstrations against Shah Regime was held by, the Iranian Students Association (ISA), alongside other predominantly leftist student groups. The protestors were significantly

critical on the nature of the US-Iranian relationship, claiming that Washington's assistance for the Shah helped boost the Pahlavi autocracy and undermined basic political freedoms in Iran. (Ben Offiler, 2015, pp. 75-76)

While Shah Regime had not well managed American aid to Iran in the 1950s and 1960s, the administrations of Eisenhower, Kennedy, and Johnson were unwilling on satisfying many of the Shah's demands regarding increased military aid and advanced weapons systems. Although the US saw Iran as its ally, its foreign policy prioritized Europe and Asia rather the Middle East in which Britain still played an important role in maintaining stability. American and British leaders relied on the dependence of Iran regime from them and did not necessarily take the Shah seriously since they had installed Shah (twice) and he appeared to be dependent on them.

The assassination of Kennedy in November 1963 shocked both American and Iranian society, and in order to relieve both sides ' anxiety Lyndon Johnson who served as America's 36th president attempted pursuing his predecessor's course. The strategic importance of Iran and its internal stability were again the main concerns of the new administration. In order to gain some control over the Shah and to keep it closely aligned with the West, The US was interested to maintain good relations with Iran through economic and military assistance.

During the Johnson administration, the actions of non-state actors significantly affected US-Iranian relations. Student groups, including the ISA and the recently organized Transnational Confederation of Iranian Students National Union (CISNU), started protesting against the military and political relationship between Washington and Iran. In addition, the Johnson administration rejected the lawful demands of the Iranian mass

protest movement by concentrating on the military sales aspect of US-Iranian relations.

However, this scenario started to alter by the late 1960s with the announcement of the intention of London regarding the withdrawal of British military forces in 1971 from the Persian Gulf due to the Second World War, therefore the economic recession in Britain. Britain's presence in the Gulf led to increasing Western reliance on Middle Eastern oil, meaning Iran's role in keeping stability had been becoming more and more crucial.

US-Iran relations in the last 2 years of the Johnson administration contain several problems since several developments within Middle East. The six-day war between Israel and its Arab neighbours in 1967, withdrawal of British military forces from east of Suez caused significant political change in the Middle East. However, both of these developments were the favour of the Shah's confidence that growing on foreign policy question. Alongside with these regional developments, the economic aid of the United States toward Iran ceased in 1967, and this in his turn resulted with a new dimension of the US-Iran relation. Military supply arrangement of the US with Iran gained importance as a bargaining tool with the loss of economic aid assistance. The Johnson administration's choice to agree to a five-year loan agreement in 1968 laid the strategy of offering comprehensive credit assistance to support Washington's diminishing impact on the Shah in stone. Tehran had become an increasingly vital component of the Middle East policy of Washington since its supporting US policy in the six-day war.

As tensions between Arab and Israel escalated before the October War of 1973, the Shah exerted his impact in OPEC to boost oil prices. The mixture of flush financial moments and strategic circumstances meant that the Shah had the means to purchase advanced guns and a

persuasive rationale for being able to purchase them. Arms sales to Iran increased dramatically during the Nixon administration, as the Shah bought about \$10 billion worth of U.S. weapons during Nixon's first term. This was another example of the Shah and the United States consorting to assist each other while ignoring the requirements of the wide Iranian population. (William R Polk, 2009, pp. 65-67)

After the withdrawal of British military forces from Persian Gulf in 1971, Shah gained opportunity for exercising power in region. Indeed, he claimed sovereignty over the strategically important area in the Strait of Hormuz regardless of dissatisfaction of Saudi Arabia, another important American ally. (Ben Offiler, 2015, p. 149)

Nixon had to depend on local allies like Iran, which the perfect candidate for shortening American interests in the region since the withdrawal of British troops. Consequently, Nixon's policy towards Iran could be perceived as a continuation—and the expansion—of the policies adopted by the Johnson administration.

During the reign of the Shah, Iran initiated a series of innovative nuclear projects relying on US and European support. According to Akbar Etemad, President of Iran's Atomic Energy Organization (AEOI) from 1971 to 1978, Iran was already pursuing nuclear research and education at the University of Tehran when the NPT entered into force on March 5, 1970. According to Etemad, Iran implemented a comprehensive nuclear energy program by the mid-1970s. Etemad adds that Iran's indigenous work on the nuclear fuel cycle in the 1970s, including plans for a new Isfahan nuclear research centre and exploration of the mining and processing of uranium. (Fozia Jan, 3 April 2016, pp. 99-101)

Consequently, 1953 counter coup in Iranian history had been assessing as a cause of the 1979 Iranian revolution by some critiques. The prevailing opinion runs something like this: The US intervened the Iranian

internal policy, operated against famous nationalist leader-Mossadeq and helped set up the corrupt regime of the shah. Therefore, it should be said the United States and the Shah led the 1979 Iranian revolution. To put it simply, revolution was made by 1953 as revenge. (Camille Alexander and T. J. Lennon, 2004, p. 144)

In October 1977, demonstrations against the Shah Regime backed The United States commenced as a civil resistance campaign containing both religious and secular components. 1979 Iranian Revolution refers to a number of events, which paved the way to overthrow of the last monarch of Iran, Mohammad Reza Shah Pahlavi and replacement of Shah Regime with the Islamic Republic under Grand Ayatollah Ruhollah Khomeini. Various leftist and Islamist organizations and student movements backed the intensified campaign against the government in 1978. In Tabriz, Teheran, and Isfahan, a sequence of protests transformed the social unrest into political upheaval. The Shah sent forces in an attempt to settle the protest after several students died during one strike. The Shah pledged more reforms under force from Western countries; however, the people intended instant shift that the state was unable to implement. Tensions began to rise until the beginning of a revolution in August 1978.

Although Khomeini's movement started as a religious movement, the financial, social and cultural modifications in Iran ultimately led to the collapse of the Pahlavi political system and ultimately to the abolition of the monarchy.

Khomeini started to shift from religious leader to political leader during this era of extensive discontent. As an agitator, he provoked the clergy's youthful and fanatical participants against Westernization in opposition to the monarchy and rebellion. Khomeini used religion to de-stabilize the Shah's regime to further his objectives. Young individuals and others

became unhappy with the government of the Shah when pressures intensified. Moreover, they started fully acknowledging the legitimacy of Khomeini.

On January 16, 1979, the Shah left Iran for Egypt putting to an end the Pahlavi era of government. Governments welcomed Ayatollah Khomeini back to Iran and introduced him to official power with greetings from several million Iranians. Islamic republic formed by national referendum on 1 April 1979 whereby Khomeini became the country's Supreme Leader on December 1979.

Historically known hostage crisis (longest hostage crisis in recorded history) occurred on 4 November 1979, which lasted until January 1981 as a support to Iranian Revolution. So that, a student group took over the American Embassy in Tehran in November 1979 and held 52 Americans hostage for 444 days. Iran justified its action against America by attempting to undermine the Iranian Revolution and by supporting the Shah of Iran, Reza Pahlavi. America, in turn, evaluated hostage crisis as terrorism and infringement of the core principles of international law, such as the Vienna Convention, which gave diplomats immunity from detention and rendered diplomatic compounds inviolable.

Indeed, the hostage crisis has played a vital role in affecting the opinions of Iranian motives and intentions. The incident has become a defining point in the revolution and was profoundly embarrassing for America. Khomeini proclaimed his backing for carrying the hostage and used this event as his favour for strengthening his own authority. These developments caused American impotence and resentment towards the new Islamic government in Iran and influenced the perception and understanding of Iran by America. Therefore, it is certainly the reason the U.S. and Iran have no relations. (Kumuda Simpson, 2016, pp. 13-19)

In Iran, the crisis reinforces the new Supreme Leader, Khomeini's reputation and the political powers who were against westernization. The US launched economic sanctions against Iran after the crisis, which further deteriorated relations of two countries. New Islamic regime in Iran placed a new foreign policy, which paved the way to war with its neighbour and ongoing conflict with the West. (Aljazeera, 2019)

The Revolution came about at a moment when the Shah's regime was regarded one of the Middle East's most stable governments and caused put an end to 2,500 years of monarchy by a religious leader. The U.S. administration observed the fall of the Shah's government helplessly. Thus, the revolution finished half a century of U.S. involvement in the state. (Daneshvar, 1996, p. 8)

Since Sunni Arabs have historically dominated the other Persian Gulf states (politically, demographically, or both), Iran is linguistically, ethnically, religiously, and socially distinct and is dominated by Persian Shia. (Andrew Cockburn and Patrick Cockburn, 2002, p. 59) So that, post-revolution Iran posed danger to Iraq due to both its Shia majority and mutual borders, and to Saudi Arabia since it undermined the governing dynasty's legitimacy.

2.2 Iran-US relations after 1979 –Dual containment

The post-revolutionary government in Iran fundamentally changed its foreign and domestic policy, therefore started to promote global Ummah and strengthen relations with Islamic countries. The new regime returned to “fundamentalism” or “traditionalism” was in favour of security encompassing only the countries of the Persian Gulf region and not foreign powers. “Neither east nor west” was the primary slogan of the new government with emphasis on spirituality, religious belief. The United States lost on the greatest allies in the Middle East after Israel due to the defeat of the Shah regime.

Generally, the Iranian Revolution caused huge instability in a region that had remained comparatively stable under the Shah's rule. The new government was well conscious of the significance of oil to the state, both for Iran and for the region as a whole. The reality was that oil had to be produced and exported from a region that became the centre of political instability. The Iranian Revolution and its outcome produced huge instability in a portion of a region that had remained comparatively stable under the Shah's rule. (Farhang Morady, 2011, pp. 11-13)

After the revolution, the Khomeini period was characterized by a troubled time of revolutionary extremes that included killing supporters of the ancient regime, taking foreigners hostage, and promoting zealotry across the Islamic world. The turmoil has been exacerbated by an eight-year war with Iraq that has become the bloodiest contemporary conflict in the Middle East. This caused more than one million losses (deaths and injuries). Iran has been commonly regarded as a global pariah throughout the first decade of the revolution. (Robin Wright, February 4, 2019)

Since the Islamic Revolution and the takeover of the American Embassy in Tehran four decades ago, the possibility for armed conflict between the two states has emerged. The Iranian revolution, followed by the hostage crisis, and the increase of anti-American administrative rule further enhanced Iran's consciousness as a global challenge to US interests.

Shortly after the revolution, the United States launched unilateral sanctions against Iran, which were the first United States sanction by President Carter in November 1979 and lasted throughout the Iran-Iraq war. Many of the sanctions enforced during this era were designed to stop Iran from winning the war against Hussein's Iraq. Nevertheless, it was also expected that sanctions would lead to common discontent in Iran, and in its turn it would pave the way defeating of the new government. Such sanctions persisted and worsened even more, especially in the 1990s, after the Iran-Iraq war. (Greg Ryan, 2018, pp. 23-25)

The US sought to keep relations with the interim government before the embassy seizure and the following hostage crisis. In view of the fact that Iranian revolutionaries detained the American diplomatic contingent, President Carter did break diplomatic relations with Iran on April 7, 1980, since it became apparent that there was no near-term solution to the crisis. Obviously, the members of the Islamic Revolution proved their own flagrant contempt for diplomatic exercise and made a powerful contribution to the politicization of the Iran question in the United States by breaking international law and taking up the Tehran embassy.

In April 1980, under immense pressure during an election year to settle the hostage crisis, President Carter ordered a military mission (Operation Desert Claw) from a U.S. aircraft carrier in the Persian Gulf to try to rescue American hostages in the Tehran embassy. The aircraft carrying

out the operation never reached Tehran, and in a refuelling accident in the Iranian desert, eight American army staff were murdered (causing the choice to abort the mission). The operation merely boosted Iranian hatred towards the United States rather than ending the hostage crisis. (Sasan Fayazmanesh, 2008)

The expression of this emerging trend in American politics was the announcement of what later became known as the "Carter Doctrine" in the State of the Union speech of 1980. President Jimmy Carter stated clearly, in the address, "An attempt by any outside force to gain control of the Persian Gulf region will be regarded as a harassment on the national security interests of the United States of America and will be defeated by any necessary means, including military force." (Meghan L. O'Sullivan,, 2003, p. 12)

In the moment Reagan administration, America provided Iraq with material support in its war against Iran. President Reagan gave Iraq material support in his war against Iran soon after his victory in the 1980 election in order to counter the new regime in Tehran. In his turn, Khomeini sought to export the Islamic revolution abroad, through creating Supreme Council for the Islamic Revolution in Iraq (SCIRI) and the Islamic Front for the Liberation of Bahrain and sending IRGC fighters to assist Hezbollah in Lebanon. One of the reasons that the US tried secretly supplying weapons to Iran in the mid-1980s was to persuade Iran to release hostages that were taken by Iran supported group.

However, at several junctures, especially in the early 1990s during Hashemi-Rafsanjani's presidency and during Khatami's presidency in the early 2000s, Iran tried to follow a more pragmatic foreign policy towards United States. Iranian attitudes towards US worsened especially after the US support for Iraq during war with Iran. Several incidents linked to U.S. participation in the Iran-Iraq War were particularly crucial in affecting

even Iranians who resisted the Islamic government that the U.S. was as bad as Khomeini claimed. The U.S. enhanced sanctions against Iran after Iraq's invasion of Iran.

In the time of conflict, the US directly involved in enabling Iraq use of chemical weapons and even providing the needed chemicals to Saddam Hussein's army. Since the United States' priority was to defeat Iran, the Reagan administration ignored a definitive investigation by the United Nations Security Council (UNSC) that found that Iraq regularly used mustard gas and nerve agents against Iran. Within a few years, this became a major continuing concern for Reagan's successors after the Iraqi invasion of Kuwait, as fear of Iraqi chemical weapons caused great and continual trouble to the planning of U.S. operations against Iraq. This is just another example suggests that the diplomatic process should be privileged over military alternatives in US policy towards unfriendly states, since there is no guarantee of the ongoing allegiance of those nations or groups conducting military activities at the behest of the US government. Hence, Iraq's invasion of Kuwait introduced US direct involvement into the region.

President Reagan instructed the State Department to put Iran on its list of State Sponsors of Terrorism in 1984, with the result that the US would try to ban global economic help to Iran and discourage Iranian efforts to export military equipment. In 1987-1988 military engagement between the US and Iran worsened. Reagan re-imposed the Iranian import embargo and prohibited Iran from selling dual-use products. While the US formally supported Iraq in its conflict with Iran and supplied substantial assistance to Iraq, the US aimed to contain both states while also selling arms to them. As many Iranian arms systems were of U.S. origin, President Reagan saw a chance to balance Iraqi authority by enabling Iran to sell secret guns (anti-tank and anti-aircraft missiles) in

return for Iranian pressure on Hezbollah to release American hostages in Lebanon, despite the classification of Iran as a terrorist sponsor by the State Department. US military operations against Iran, however, did not discourage the people of Iran from supporting the Islamic Republic. The Iraqi invasion of Kuwait in 1990 led to suspend US interest in Iran. (Greg Ryan, 2018, pp. 105-106)

In 1980, when Saddam Hussein was obviously given approval by the Carter administration to invade Iran, most of the policy was designed at releasing U.S. hostages and helping to defeat the Islamic government. In the 1980s, as formulated by several Reagan administration officials, the strategy of dual containment developed into guaranteeing that neither Iran nor Iraq would win the war. Therefore, America provided intelligence to both sides, but mostly to Saddam Hussein through closing its eyes to the use of chemical weapons in the war by Hussein and even supplied Iraq with the chemical agents needed to produce such weapons. Ultimately, when it became apparent that Hussein could be defeated, the US involved Iran directly in the war. Because of that awful eight-year war was that it cost the lives of an estimated one million Iranians and Iraqis and ruined both countries' economies. (Sasan Fayazmanesh, 2008, pp. 13-17)

Israel followed the same strategy of dual containment as well. Thereby, in the 1980s, dual containment for both the US and Israel supposed assisting Iran and Iraq destroy each other in a costly and prolonged war. The only distinction in strategy was that while the US preferred Iran to be destroyed first, Israel desired the contrary.

Despite the fall of the Soviet Union, the United States still confronted some significant obstacles to its interests overseas hence, its policymakers tried to articulate a new global position for it. The Persian Gulf stayed an area where global instability and unrest could bring about

major financial disturbance and threaten the emergence of new conflicts. During that era, the complicated issue of American relations with Iraq and Iran kept its vitality, both hostile to the United States and regarded as threatening to American interests. Thus, dual containment was formulated as a strategy, which was one of the major foreign policies of its era, towards rogue states by American policymakers. (Alex Edwards , 2014, p. 26)

After the war and especially during the Clinton administration, the practice of dual containment became a subject of enforcing US sanctions against Iran and UN sanctions against Iraq. During this period, it was expected that economic hardship in both countries would bring about popular uprisings, and this, in turn, would lead to the defeat of the two governments in favour of US-Israeli friendly regimes. Consequently, dual containment became synonymous mainly with economic deprivation. (The Guardian , Saturday, March 4, 2000)

The policy known as "dual containment" was created to address threats such as Iraq and Iran, which were recognized as significant threats to America's regional interests, by isolating both nations regionally, cutting them off from the global financial and trading system, and promoting regime change in Iraq. The policy directed to the continuation of U.N. sanctions against Iraq and to convince great powers such as Europe, Russia and Japan to restrict Iran access to global capital and weapons markets. (F. Gregory Gause, March/April 1994)

An officer of the National Security Council (NSC) officially launched this policy, which was intended to suppress the impact of both Iran and Iraq across the Middle East, to the globe in a lecture in 1993. It continued mainly until the end of President Bill Clinton's term in office and is noteworthy for several factors. First, the strategy itself continues to be somewhat overlooked, launched after the events of the 1991 conflict over

Kuwait and before the terrorist attacks of September 11, 2001. Second, it is an outstanding overview of post-Cold War US international policymaking. Finally, its execution and the course it took with respect to Iran reflected to the US strategy towards post-1979 Iran in particular and the Persian Gulf in general. Because of the highly antagonistic turn of the US and Iran relation since 1979, the dual containment policy encapsulates some of the most contentious characteristics of American strategy in the Middle East. (Alex Edwards , 2014, p. 14)

Therefore, the 1980s and especially the 1990s saw a strong increase in the American military footprint of the region with the approval of a multitude of regional nations that lacked the capacity to safeguard themselves against Iraq or Iran.

It was a mix of regional and international variables that concurrently "pushed" and "pulled" the United States into close political and military engagement with the Persian Gulf in the latter half of the 20th century. After the collapse of the USSR, all these factors remained important with the important exception of the acknowledged Soviet threat to the world's oil supplies. Nonetheless, the United States continued to be connected to its traditional approach "to prevent any state from gaining dominance in the Persian Gulf." (John Mearsheimer and Stephen Walt, 2007, p. 281)

Accordingly, when George H. W. Bush came to power in 1989, because of its oil reserves, the Persian Gulf remained a region of critical importance. Consequently, Bush chose to maintain the previous strategy of balancing against Iran by continuing to maintain the earlier developed relationship with Saddam Hussein's Iraq under Reagan, supposedly in the hope of moderating Iraq's foreign policy. (George Bush and Brent Scowcroft, 1998, pp. 305-306)

American dual containment policy was a relative success in the scenario of Iraq. Although Saddam Hussein stayed in authority, by the end of 2001 his ability to threaten American interests in the Persian Gulf was minimal. Apart from Iraq, the U.S. containment of Iran was not conducted through the UNSC. Unlike Iraq, Iran had not launched any brutal conflicts that drew the rage of the world to generate feasible "peace enforcement" procedures of the UN Charter. Although the other coastal nations, especially Saudi Arabia, still wished American safety, maintained defence cooperation with the United States, and viewed Iran primarily as a rival, they also reacted to Iranian attempts to restore ties during the 1990s. (Arjomand, 2009, p. 157)

Iran-Iraq non-proliferation Act of 1992 characterized with the beginning of US sanctions on Iran in the 1990s. Despite its name, the act was directed mainly to Iran, considering that at the moment Iraq was under the most extensive embargo ever enforced by the UN. (Hiro, 2001, p. 201)

Some of the toughest sanctions against Iran characterized President Akbar Hashemi Rafsanjani's period. In 1995, significant sanctions imposed by the United States were a couple of executive actions issued by President Clinton, numbers 12957 and 12959. The Iran and Libya Sanctions Act (ILSA) heavily affected American-Iranian relations in 1996 as well.

It is not surprising that, despite US pressure, the United Kingdom, France, Germany and the rest of the EU decided to follow their own "critical dialog" strategy to Iran. That strategy consisted of encouraging trade and other relations with Iran to generate interdependence and give Iran a vested interest in the status quo while promoting dialog about the problematic behaviour of Iran. The EU Commission threatened the United States with retaliation in case of any sanction towards European

companies. One of the containing US policy on Iran was limiting Iranian access to global organizations ' funding and debt restructuring.

Russia agreed to build a nuclear power plant near the Iranian town of Bushehr as soon as August 1992 and to supply enriched uranium fuel to 20 percent. Two years later, Russia and the Iranian Atomic Energy Authority signed an \$800 million agreement to construct two light-water nuclear reactors and generators, which led to threats by senior figures in US Congress to cut off aid to Russia over the issue. China had also been subjected to American pressure as another of Iran's international partners on its nuclear development programme.

Above-mentioned measures make one thing obvious that they were all commonly unilateral measures taken by the United States. (Alex Edwards , 2014, pp. 60-65)

The impetus for reconciliation between the US and Iran had been Mohammad Khatami's surprise election to Iran's presidency in May 1997, when it appeared that American-Iranian relations had reached a nadir after ILSA had passed and other sanctions had been imposed. Under Khatami, several attempts were made by the administration to "break the ice" with Iran such as Iranian president's interview calling for a "dialog of civilizations" with the United States at CNN in January 1988. In his turn, US ambassador to the UN and Clinton's second secretary of state Madeleine Albright responded positively. (Nikki R. Keddie, 2003, p. 272) Finally, in March 2000, Albright issued more specific apologies for American participation in the 1953 coup, provided assistance with the unfreezing of Iranian assets in the United States, and announced the lifting of restrictions on imports into the United States of certain Iranian products. Despite these U.S. efforts to restore something similar to a publicly recognized dialog with Iran, there was no progress and the relations between the two nations kept its adversarial character since

several obvious reasons including as the presence of the US military in the Persian Gulf and Iran's close relationship with Lebanese Hezbollah. (Alex Edwards , 2014, pp. 71-76)

Relationships then halted due to resistance from Iranian conservatives and American preconditions for discussion, including modifications in Iran's policy on Israel, nuclear power, and terrorism support.

With George W. Bush's election as the 43rd US president, US dialog and practice changed considerably. The peak of that shift was the outbreak of the September 11 terror attack when the U.S. president drew a line between "us and them," along with two other countries calling Iran "axis of evil." Defining the "War on Terrorism" as the U.S. geopolitical code and recognizing Iran as an enemy has further strengthened Iran-U.S. hostility. A definite confrontation between the two nations began with the election of Ahmadinejad as a president of Iran in 2005, particularly around Iran's nuclear program. Both nations regarded each other an "enemy" and attempted to build their coalitions around the globe. Those developments lead relations to more critical phase. (Ph.D.candidate Saeid Naji, March 2011, pp. 7-8)

The United States used Iran's nuclear program, and characteristic of a 'terrorism supporter' as a "justification" for The US measures to gain a consensus against Iran among other nations. Therefore, President Bush had declared at this stage that Washington would not "tolerate the construction of a nuclear weapon" by Iran. (David E. Sanger, 2003)

III CHAPTER Joint Comprehensive Plan of Action and Afterwards

3.1. Reconciliation? Joint Comprehensive Plan of Action

The origins of the JCPOA and its circumstances can be understood under the Nuclear Weapons Non-Proliferation Treaty (NPT) safeguard mechanism implemented by the IAEA. The development of Iranian nuclear technology originated in the 1970s when, the U.S. Atoms for Peace program began to assist Iran, in the moment of the Shah regime. In 1968, Iran signed the Nuclear Weapons Non-Proliferation Treaty (NPT) as a non-nuclear-weapon state and in 1970 ratified the NPT (Jonas Schneider & Oliver Thränert, 2014 April). The NPT requires every non-nuclear-weapon state (all countries party to the NPT except China, France, Russia, the United Kingdom, and the United States) to enter into a safeguard contract with the IAEA covering all of its nuclear material in all peaceful nuclear activities.

In 2003, the IAEA Director-General revealed that Iran failed to fulfil its commitments in many respects. In 2005, the Board of Governors found Iran in breach of its safeguards agreement and urged Iran. Parallel to this, France, Germany, and the United Kingdom involved in talks with Iran that resulted to the suspension of enriched uranium production in 2003. Iran shortly broke this treaty, but in 2004 Iran and France, Germany, the United Kingdom and the European Union (EU) reached a new contract. It called for the provisional suspension of uranium enrichment while pursuing additional ways of resolving the nuclear issue. (Michael D. Rosenthal, 2016)

The IAEA confirmed this suspension, but Iran started enhanced uranium manufacturing in early 2006. EU 3 together with China, Russia and the

United States established the P5+1 (the five permanent members of the United Nations Security Council negotiated the deal with Germany which were called the P5 + 1 together) in June 2006. The Security Council adopted its first resolution on the following month, July 2006, calling for Iran to suspend uranium enrichment and processing.

Therefore, the IAEA Board of Governors adopted a resolution on February 4, 2006. The UN Security Council enacted Resolution 1696 in reaction to an IAEA report. Nevertheless, Iran persisted to increase its capacity for uranium enrichment and failed to follow the other measures requested by the Security Council, including enabling the IAEA to reconstruct the past of Iran's nuclear program. The Security Council, in turn, adopted a number of measures imposing sanctions with growing seriousness. (Michael D. Rosenthal, 2016, pp. 98-115) The UN Security Council subsequently adopted six resolutions requiring full cooperation with the IAEA and the suspension of all uranium-enrichment-related operations on Iran's nuclear program from 2006 to 2010. To pressure Iran, resolutions established to cease enrichment activities and impose sanctions on the transfer of nuclear and missile technology.

The first three of these were directed at limiting Iran's nuclear program, however Resolution 1929 mandated wider financial and economic sanctions on Iran such as prohibiting foreign investment in Iran's energy industry, limiting trade credit with Iran, restricting arms sales to Iran, and preventing financial dealings with Iran's banks.

The years of 2011-2012 marked as the toughest phase of sanctions against Iran, since the United States and the EU imposed sanction on oil, the central bank of Iran and access to SWIFT that highly devastated the economy of Iran. (The international system for transferring funds). (Sayed Hossein Mussavian, Mohammed Mehdi Mussavian, 02 Jan 2018,)

The nuclear concern in Iran dominated at the Bush administration. The question of whether or not the nuclear program was intended for national energy reasons or whether it contained a component of covert weapons stayed mainly unanswered despite strict and ongoing IAEA inspections. One of the wider problems highlighted by the Iranian nuclear program is the willingness of many non-nuclear weapons countries to have access to nuclear energy for national reasons.

The deadlock between the relations of the two states had been significantly influenced from historical background. Both sides had mistrust and suspicious which were deeply rooted to historical experiences such as the 1952 coup against Mohammad Mossadeq and the 1979 American hostage crisis.

The legal framework for the Iran policy of the Bush administration was made up of several bills and resolutions adopted by both Congress chambers. In 2003, the U.S. Senate enacted the Iran Democracy Act, which explicitly indicated that supporting transparent, complete democracy in Iran was U.S. policy. The 2006 Iran Freedom Support Act aimed 'to hold Iran's present government responsible for its threatening conduct and to support a democratic transition in Iran.' (Kumuda Simpson, 2016, p. 66)

Tensions between the United States and Iran increased from 2003 to early 2006. However, Foreign Minister Manouchehr Mottaki, Iran's top diplomat, indicated in May 2007 that Iran is "willing to talk" to the United States. In May 2008, the US vetoed the plan for bombing Iranian nuclear facilities by Israeli Prime Minister Ehud Olmert. (Jonathan Steele, 2008)

In November 2009, Barack Obama was elected as a new American president and inherited political confusion that started from 2001. The desire to negotiate straight with the Iranian regime without precondition was one of the most significant political shift in the US strategy. The most

challenging problem to address in any future negotiations would be the capacity of Iran to enrich uranium and thus possibly master the entire nuclear fuel cycle. (Kumuda Simpson, 2016, pp. 94-96)

The election of Obama had given impetus to a radical new chance to progress ties between America and Iran. Even his presidential campaign Obama declared his desire on direct diplomatic talks with Tehran. Obama also knew that a good deal of preparation would be crucial before negotiations.

Obama's second term in office was characterized as a major change in the U.S.-Iran relationship. During this period, the Geneva Process with the P5 + 1 and the Joint Action Plan (JPOA), which represents the first formal agreement between the United States and Iran in 34 years, sought to address many of the remaining issues concerning Iran's nuclear program. (Blair, David, 24 November 2013)

The nuclear agreement also had a disruptive impact on the traditional regional partners of America, especially Saudi Arabia and some of the Gulf States, who are against Iran's increasing regional influence. With the election of Hassan Rouhani in Iran and his apparent desire to reopen nuclear negotiations, this concern, shared by other GCC participants took on a growing concern.

The election of Hassan Rouhani in Iran brought the Ahmadinejad's eight years of unsuccessful nuclear talks end. After hundred days of Rouhani's election, Iran and the P5+1 achieved an interim nuclear treaty or a Joint Action Plan that certify the election of President Rouhani as significant factor in enabling this negotiated settlement.

Apart from Ahmadinejad, in foreign policy, President Rouhani has continuously exhibited pragmatism, including his behaviour on the nuclear dossier. He suggested the most practical and realistic packages

to the EU3, which failed due to the unrealistic zero enrichment policy of the US, during his moment as Iran's chief negotiator from 2003 to 2005. The Joint Plan of Action and the ensuing negotiations ultimately led to a Framework Agreement in April 2015, followed by a final agreement in July 2015, the Joint Comprehensive Plan of Action. In general, Joint Plan of Action paved the way to formal negotiations toward comprehensive agreement between Iran and P5+1 countries. Consequently, after the 20 months of negotiations parties agreed for the final agreement in April 2015. After 3 months, the agreement was confirmed. (Daniel Joyner, 2016, pp. 71-72)

Following the 2015 Iran nuclear accord, defined as the Joint Comprehensive Plan of Action (JCPOA), there was a lot of discussion about whether the US sanctions policy led Iran to the negotiating table, Iran's breakout approach took the United States to the table, or other geopolitical reasons played a part. There are several major factors, such as leadership changes in each state and a shifting geopolitical context, paved the way for the nuclear deal. The most crucial factor that made the agreement available was Obama's transition from the traditional US policy that emphasizes of no enrichment in Iran to no nuclear bomb. The geopolitical scenario and the numerous crises in the Middle East forced Iran and the P5+1 to rethink their previous nuclear confrontational strategies, create a more realistic approach, and find methods to resolve the nuclear crisis through negotiation rather than conflict. The Obama administration acknowledged that the more the U.S. and Iran could arrange on regional issues with each other, the less likely it was that America would have to put additional forces on the ground in the Middle East.

Europe's security threats developed a powerful intention in Europe to resolve the Iranian nuclear crisis peacefully, to regain market share in the

Iranian economy, and to collaborate with Iran on Middle East crisis leadership. The Eurozone crises, multiple terrorist attacks in different European countries, and the millions of refugees, besides, the EU's desire to diversify its gas sources and decrease its dependence on Russian gas supplies thanks to Iranian gas resources consists those type security threats.

The Joint Comprehensive Plan of Action had significant consequences for global powers and Iran, and directly affected the bilateral US-Iran relationship, regional security conditions and US national politics. (Sayed Hossein Mussavian, Mohammed Mehdi Mussavian, 02 Jan 2018,, pp. 169-175)

Some scholars characterized JCPOA as a win-win deal for both sides due to several considerations. Iran had been subject to serious sanctions of multiple types, both bilateral and multilateral. Sanctions resulted devastated economy and as well as influenced its foreign relations. The objectives of Iran were to enhance its economy, normalize its oil and gas trade, develop its infrastructure, and normalize its political relations globally. In terms of these factors, a diplomatic arrangement was the best way to show its true intentions that Iran was not interested in creating nuclear arms and attempted only to create peaceful civil atomic technology, in order to remove suspicions and create trust. (H.A.Feiveson, August 12, 2015)

In the same time, The United States and the other states included to P5+1 understood that sanctions, which were designed to compel Iran to abandon its nuclear program, were not quite successful. Moreover, the military choice was quite unrealistic, as the other members of the Security Council were not prepared to assist a U.S. attack on Iran. In addition, this was true that sanctions resulted with counter-affect. It became apparent that Iran's reaction to nearly every sanction was to raise the amount and

capacity of its enrichment and heavy water programs. These factors clarify why the Obama administration embraced the EU3 + 3 alternative of negotiating an agreement that would guarantee a peaceful civilian nuclear program for Iran and would close all paths towards armament. All these considerations, clearly explain why the Obama administration supported the EU3 + 3 option of negotiating an agreement. Iran gained from deal as well, because all unilateral and multilateral measures were lifted, Iran's right to enrichment and heavy-water activity respected, the global community cooperated with Iran on peaceful nuclear technologies, and Iran's foreign relations enhanced dramatically. (H.A.Feiveson, August 12, 2015)

Consequently, while JCPOA is not an optimal accord for the United States and is limited to concerns linked only to Iran's nuclear capabilities, it created important constraints on Iranian nuclear activity, created a comprehensive and thorough inspection system, and provided for a rapid re-establishment of sanctions whether Iran violates the agreement. (Greg Ryan, 2018, pp. 25-28) Things considered, the JCPOA treaty was effective in attaining what it set out to achieve in terms of restricting Iran's nuclear weapons ability.

As one analyst pointed out, without an accord, the region would probably see: an extended Iranian atomic program; an erosion of wide international sanctions without any advantage to regional and global safety; increased potential for military conflict; and the loss of chances to work on significant fields of common concern to Iran and the United States' (Kumuda Simpson, 2016, p. 135).

It is obvious that, there will always be competing interests between the US and Iran. What is essential is that both nations find methods to regulate their most hazardous regions of dispute and neutralize them. That is what JCPOA had done. In addition, one of the most deficient arms

control agreements in history is the Joint Comprehensive Plan of Action,
or JCPOA.

3.2. Iran Foreign Policy after the fall of the Deal

Donald Trump pledged to "renegotiate" the July 2015 Joint Comprehensive Plan of Action, generally known as the Iran nuclear deal, during the 2016 U.S. presidential election campaign since he claimed that the agreement does not discourage Iran from building nuclear weapons, and in fact makes it easier in the future for Iran to go nuclear in some respects. The mere implementation of the present agreement could undermine the interests of America in the Middle East and its worldwide non-proliferation strategy. (Kroenig, 11 Jan 2018., pp. 7-9)

However, JCPOA had been implemented since in January 2016, the U.S. Congress and the Obama and Trump administrations have continually enforced sanctions, citing human rights issues, terrorism, missile testing, and regional differences as their justifications. (Changiz M. Varzi, 2016)

Since Donald Trump took office, in Washington he had witnessed constant attempts to reverse the JCPOA and amend the Iran policy of the Obama administration. Trump labelled the JCPOA wildly as "one of the worst deals" and "disastrous deal" in history and took numerous measures intended to scuttle it. (JANA WINTER, 2017)

The main issue with Iran's nuclear accord is that it does not address the issue it was intended to address since the nuclear deal only delays Iran's desire to create nuclear weapons rather than stops. In announcing the withdrawal on May 2018, Trump justify his decision with the inability of accord to tackle Iran's ballistic missile program and its regional proxy warfare, claiming that several ending provisions in JCPOA would allow Iran to develop a bomb in future.

From a perspective of Trump administration, increasing pressure on Tehran will limit the destabilizing influence of Iran in the region. Over

moment, Washington can utilize the pressure to push Iran back to the negotiating table. That strategy is understood by statement of State Secretary Mike Pompeo on June 2019 as the recent sanctions were imposed: “The only path forward is for Iran to negotiate a comprehensive deal that addresses the full range of its destabilizing behaviours. Until it does, our campaign of diplomatic isolation and maximum economic pressure will continue. When the Iranian regime decides to forgo violence and meet our diplomacy with diplomacy, it knows how to reach us”. (MICHAEL R. POMPEO, JUNE 24, 2019)

President Trump sought a broader deal with Iran that goes beyond the nuclear issue to include the development of Tehran's missiles, supporting militant groups, intervening in crises in the Middle East and abusing human rights. The US and Iran have had hostile ties since the 1979 revolution, however the tension has escalated with the decision of Donald Trump regarding withdrawal from nuclear deal in May 2018. The withdrawal that is called “a serious mistake” by Barack Obama created great concern in Iran because of its economic effect.

After the withdrawal decision of Donald Trump, Iranian president Hassan Rouhani reacted that development immediately and stated his intention to negotiate with the other parties to the agreement, Britain, China, France, Germany, and Russia in the case of preservation of Iran’s national interest. It is obvious that the treaty was designed to give financial liberty for Iranians; indeed the nuclear agreement had not fulfilled its pledge. But what really undermined the potential benefits of the treaty were the American sanctions that remained intact despite the treaty and that continued to discourage not only any significant bank functioning in Iran, but also discourage nearly all ordinary economic transactions, depriving Iran of much-needed credit and foreign investment. (Thomas Erdbrink, 2018)

Another reason behind that escalation of tension is Trump's describing the Islamic Revolutionary Guard Corps as a terrorist group in April 2019. It seems to be the defining moment for a sequence of operations of military and intelligence. (Robin Wright, 2019)

Robin Wright in his analysis namely "The origins and future of the Iran crisis" identified 3 intersecting flashpoints of that crisis: The key dispute over Iran's nuclear program; the attacks on six foreign tankers between 12 May and 13 June 2019; and the shooting down of an advanced U.S. surveillance drone on 20 June. (Robin Wright, 2019)

On June 2019, President Trump sanctioned Iran's supreme leader, Ayatollah Ali Khamenei and any official in his office claiming that the Supreme Leader of Iran is one who ultimately is guilty for the hostile conduct of the regime. It shows in its turn that, Donald Trump came officially calling for a change of regime. Although the "maximum pressure" campaign by the Trump administration, Iran's reaction has not been optimistic and has taken on a more aggressive reaction, and conflicts across the region have escalated.

To understand the current situation in Iran, it would be great to look back to 2012 the last time the nation faced such concerted sanctions for competitive analysis. In that time the United States, the United Nations and the European Union acted jointly and therefore, Iran's economy decreased by 1.9 percent and its oil exports fell by more than 1 million barrels per day.

Currently, there are some major differences between where Iran finds itself today compared with 2012. To begin with, this moment, the United States is the primary force pushing sanctions against Iran. The European Union is less committed to the U.S. plan and there is no significant U.N. sanctions regime, as was the case before the JCPOA. (Stratfor Enterprises, 2018) Together with new Congressional and administrative

sanctions against Iran, Trump's strategic goal of destroying Iran's economy is a unilateral manoeuvre aimed at undermining a multilateral accord. (Fred Kaplan, 2016)

Iran simply cannot stave off a crisis in the wake of such heavy U.S. sanctions. However, the economy of Iran still has a stronger basis than it did in 2012. Unemployment is about 11 per cent— 3 per cent smaller than in 2012. And total official reserves are at about \$130 billion, offering the state a lot more of a cushion than it had in 2012 when revenues floated around \$100 billion. Most significantly, however, there is a fresh point of political coherence in Tehran, which implies that the state will be both prepared and able to undertake reform initiatives. The Iranian government has been increasingly dedicated to establishing common ground that they agree on the need to stabilize the economy for the sake of national security and differ from 2012 case; Iran's state is much more unified and will only develop as US pressure intensifies. Iran concentrates on introducing financial reforms and focuses on being prepared for renewed sanctions. Besides, in the absence of the agreement, Iran's state places more emphasis on cultivating national manufacturing and exporting non-oil products, which are likely to include saffron, pistachios and plastics.

When President Hassan Rouhani came into office in 2003, he concentrates to increase non-oil exports; indeed statistics proves its increase. Implementing shipping contingency plans, seeking nations ready to risk U.S. secondary sanctions for port entry are part of Iran's strategy against U.S. policy. Likely alternatives include ports like Basra in southern Iraq, Pakistan, Oman, and Qatar. Iran has been operating more actively to solidify arrangements with them due to the United States left the JCPOA. However, smuggling through these states will be harder now than it was in 2012. (Stratfor Enterprises, 2018)

In that view, Qatar is probably reluctant to collaborate with Iran as it seeks to stay in the positive graces of the United States amid the continuing conflict with other countries of the Gulf Cooperation Council. Oman is now trying to restore confidence with the Trump administration as the tougher Iran strategy of the Trump administration risks the pipeline and other economic agreements with the Islamic Republic. Furthermore, Israeli Prime Minister Benjamin Netanyahu's visit to Muscat in October 2018 and an arrangement in March 2019 enabling the U.S. military higher access to Omani ports may have been openings to attempt. America is also keen on keeping healthy ties with Oman and demanding that Oman be truly neutral on the Iran issue, both politically and economically. With assistance from Oman, Kuwait has prompted mediation attempts to settle the dispute. Indeed, the claim regarding Oman's neutral foreign policy in the Middle East is fundamentally incorrect, when Omani authorities continue to argue that sanctions are the incorrect strategy and that engagement with Iran is the best route forward. (Jonathan Schanzer & Nicole Salter, May 2019, pp. 21-28)

Since the overthrow of the Sunni dictator Saddam Hussein in 2003 and the rise of Shiite forces to power in Baghdad, diplomatic ties between Iraq and Iran, which clashed in a war between 1980 and 1988, have become strategic. Iran is using its close links with Iraq's current regime to circumvent the sanctions. On March 2019, Iran's president, Hassan Rouhani, visited Baghdad for the first time. After a meeting with Iraqi Prime Minister, the two officials declared trade expansion deals, a rail line between the two nations, and the removal of travel constraints. Common concerns such as ensuring their 900-mile boundary; restricting re-emergence of ISIS and other extremist groups; cooperating on energy issues; enhancing economic integration bringing these two nations together. In addition, a truth involves Iran more than ever. Iraq, in turn,

has depended on paramilitary assistance from Iran in the fight against the ISIS. Researcher Sarhang Hamasaeed concluded in his research that pressing Iraq to choose sides, or abandoning it altogether, will only backfire. (Sarhang Hamasaeed, 2019)

Iran will endeavour, most of all, to avoid its economic strain from translating into currency problems for its population. The worse the economy gets, the more likely it will cause increased income inequality and commodity prices. The state will ensure that the cost of products is kept in check, as food prices and unemployment were the main drivers of demonstration and unrest in Iran. (Stratfor Enterprises, 2018)

All of these measurements have one characteristic is that strategy of the government against US policy is designed for short –term benefit, not long-term. The Iranian state expects that its resistance economy will be able to maintain the country's survival until Trump and his administration no longer operate Washington.

The distinction is profound between the U.S. and the other five member states to the 2015 nuclear deal— Britain, China, France, Germany, and Russia. The transatlantic split over Iran has been deeper than any other problem since the end of World War II. At the same moment, many foreign companies in allied countries have chosen to prevent or withdraw from deals with Iran for fear of being sanctioned by the United States. (Robin Wright, 2019) Recently, France, Germany and Britain established a barter mechanism- the Instrument in Support of Trade Exchange (INSTEX), a financial mechanism designed to safeguard Tehran-Europe's trade links from US bans, in an effort to maintain the nuclear treaty alive. (DW news, 2019) However, it is only for food and medicine, which are already not subject to U.S. penalties.

Several nations, including U.S. allies, began to export Iranian oil under waivers given by the Trump administration and Iran in its turn continued

to meet its obligations, right after from withdrawal of the United States from comprehensive agreement. Recently the U.S. finished the waivers in order to bringing Iran's oil exports to zero. However, how much further Iranian oil revenues will drop is not clear. China has insisted on the ideal legality of its trade with Iran and that the US has no authority to interfere. Turkey said it could not cut a neighbour's links. (BBC News, 2019) For economic and geopolitical purposes, Turkey, China, India and potentially several European allies will seek methods to operate around U.S. sanctions. (Richard Sokolsky, Aron David Miller, 2019)

The announcement of bringing Iran's oil revenues zero was the turning point for Iran in terms of bounding to commitments of the accord as long as the other parties to the JCPOA were in breach of theirs. However, Iran surpassed the agreed limits in July 2019 then started to enrich uranium to a greater level, Mohammad Javad Zarif, Iran's foreign minister, said these JCPOA's gradual breaches were correctable in the case of European compliance. (Zachary Laub, 2019)

The Trump administration can lead to serious pain to Iran, but it cannot cause massive internal unrest leading to the regime's collapse or a fundamental change in Iran's regional policy. (Richard Sokolsky, Aron David Miller, 2019)

Iran took a direction toward self-sufficiency in all areas, which was designed to overcome the sanctions by America. (PressTV, 2019) Indeed, sanctioning Iran provide a chance for economic reforms to be implemented in order to achieve greater self-sufficiency. Historically, since 1979, Iran has been subject to sanctions that were relieved by the signing of JCPOA in 2015 until Trump chose to reintroduce them in 2018. The result makes the life of people more complicated and even endangers them, while the U.S. claims that its sanctions are designed against the state, not the people of Iran. Iran learned as a lesson from

being sanctioned that the reliance on the West will not yield economic prosperity. Iran will only be able to obtain self-sufficiency and stabilization by developing its inner capacities. Indeed, over the past eight years, Iran's Supreme Leader, Ayatollah Ali Khamenei, has advocated addressing financial issues through what he calls a "resistance economy" and has put particular emphasis on promoting local sectors, manufacturing and products for the past three years. Iran learned to transform sanctions and economic isolation into opportunity due to growing "resistance economy". Although there are many products of this increasing "Resistance Economy," this does not mean that nothing has altered in Iran since the sanctions have been extended. Iran is not self-sufficient in all areas at the moment, and its economy remains dependent on oil revenues (although not to the level it was under previous governments). The sanctions have posed Iran with many challenges when it comes to importing the technology required and other vital commodities. Rouhani compared the effect of the sanctions on the hardships generated by the 1980s ' eight-year conflict between Iran and Iraq. Iran certainly has no way but to strengthen its domestic economies and national abilities in an attempt to undermine the sanctions. (Karim Sharara, 2019)

With less dependence on oil revenues (with Iran preparing to cease its reliance on oil entirely) and enhanced dependence on national manufacturing, Iran should be far better off in the coming years. The renewed sanctions regime, despite the present hardships, provides Iran a fresh chance to continue that trend.

CONCLUSION

To start, this thesis attempted to answer the question “How does Iran as a regional power cope with the US’s unilateral sanctions?” as well as the two more specific sub-questions.

In the first chapter, a look was taken at the theoretical lens to the rise of the regional powers, its substantial consequences both locally and globally and the consideration of established great powers in that moment. Neorealism was chosen as the adequate theory due to it helps to answer research questions regarding states’ behaviour.

Therefore, regional powers can be seen as potential great powers over time and that was regarded as significant developments, which directly affect the current international relations and may challenge the reigning order. In here, the will of rising power should be taken into consideration as a key point. Ensuring their own security is the most central issue of the states in international relations. Different versions of realism indicate that states should act in a way that above all else ensures their safety. Security importance and methods of maintaining safety have been expressed in the following segment of the chapter and analysed comparatively. Balancing, bandwagoning and bargaining were separately examined as a strategy of states. The theoretical analysed illustrated that bargaining, as a state tactic could be beneficial for both sides. Bargaining model, in turn, requires bargaining power that defines the relative power of the sides in a situation to exert impact over one another. As consequences, in the process of negotiation, parties try to increase their bargaining chances for gaining more benefit through deterrence model or increasing their self-sufficiency as consequences of bargaining, respectively as Iran case.

Accordingly, this framework reflected in first chapter, also provided the ability to conclude how regional powers respond the threat by great powers and vice versa as well.

The following chapter described the historical background of U.S.-Iran relations before and after the 1979 Islamic Revolution, respectively, and the beginning of U.S. containment policy towards Iran. The deadlock between the two countries' relationship had been considerably shaped from historical background. Reasons behind revolution were analysed. Since major parts of the Iranian population had not been pleased with the Shah's regime, the revolution had been inevitable. After the fall of the US backed regime, Khomeini succeeded in consolidating the authority around him and established his theocratic system. In particular, the current Islamic Republic had an anti-western foreign policy that attempted to distribute its revolutionary ideology throughout the region.

In the last chapter, firstly, reconciliation of relations, the origins of JCPOA and its circumstances were examined. For several years, Iran's economy has been seriously affected by sanctions imposed by the international community on the uranium enrichment activity.

The lesson, which Iran learned from 40 years of economic blockade, were analysed. This, therefore, instructed Iran not only to survive, but to grow independently, transformed Iranians from customers to entrepreneurs. Sanctions have significantly affected the general framework that hinders Iran's development and growth as part of the international system. (Fozia Jan, 3 April 2016, pp. 103-104)

There are several significant factors, such as shifts in leadership in each side, and a changing geopolitical environment paved the way for the nuclear agreement. The accord was followed by twelve years of escalation and negotiation in which each party expanded its bargaining

power and gained a deep understanding of where the other party would or would not compromise.

In the analytical part of the chapter, Iran's foreign policy and strategy after the fall of deal were deeply researched. The tension has escalated with the decision of Donald Trump regarding withdrawal of the nuclear deal on May 2018.

In conclusion, Iran had arose as a rational country to withstand external pressures, embargoes and international isolation and advanced in multiple areas to allow country to become self-sufficient. Rationally, both side are aware of the costly character of war. It should be noted that, generally, if countries understood the consequence of a conflict, they would prefer to agree to that result through bargaining without ever fighting. While each side likes a bargain to war, they still want the best deal for themselves. Therefore, they are pursuing a strategy of increasing their bargaining power. Iran's self-sufficiency increases its bargaining chance since self-sufficiency, in turn, increases the level of surviving of Iran against containment policy of the US. As a bargaining tool, Iran uses its nuclear intentions.

Until recently, Iran after the US withdrawal from accord, has pursued a strategy of "strategic patience", and maintained the commitment of deal. This strategy was designed for short-term benefit with the thought that country could maintain its survival until Donald Trump left the office. However, Europe and other nations failing to compensate the loss of Iranian sanctions and Trump's new oil sanctions and designating Iran's Revolutionary Guard as a foreign terrorist organization resulted with demise of "strategic patience". Iran is presently making the choice to break certain JCPOA limits and is actually pursuing the same strategy it used to achieve the JCPOA. Iran creates advantage with this way while

maintaining the negotiating door open if the administration demonstrates serious interest.

In conclusion, the thesis illustrates how Iran as a regional power copes against the unilateral sanctions of the United States and therefore gave the answer to the research question and the specific sub-questions. Iran's way to self-sufficiency and how this helps to get the opportunity of bargaining and in turn, to encounter sanctions. Neorealism was suited for the task and the analysis fit into the theoretical framework, as it highlights a wide variety of arguments that show how great powers react when global power shifts occur, and various strategies of rising powers. However, while the theory provided the instruments to try to achieve the goals of this thesis, the research project had its limitations. At points, owing to its continuing aspect, the research materials were insufficient and therefore output was somewhat limited. In addition, confidential character of some documents as well, restricted the potential that the research questions might have had.

Nevertheless, the thesis presented useful insight into Iran's strategy against US containment policy, and further research on the subject could be pursued from a variety of perspectives. Neorealism is one of many concepts, and a similar case study would be possible with the others. A case study with different theoretical views, such as institutionalism or neoliberalism, would also be relevant. Overall, Iran is a subject that needs more research, since it is a recurring hotspot in the international system. Raised tensions in the international sphere regarding with the fall of nuclear deal made the research valuable better understanding the reasoning and motivations of states. Hence, more research into this topic is deserved, as Iran will continue to play an important role on the world stage in the future.

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