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### The Impact of Ministry of Foreign Affairs' Policy-Making on Attracting Foreign Investment during the Presidency of Mahmoud Ahmadinejad (2005-2013)

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### Abstract:

The commencement of executing the fourth program, in other words, the first year of implementing the vision document, was simultaneous with the change of government and the coming to power of the principlist government of Dr. Mahmoud Ahmadinejad. A government that, while explicitly criticizing the policies of previous governments, prioritized the return to the ideologies of the revolution regarding the administration of justice and fight against poverty, corruption, and discrimination in domestic politics and rejection of the hegemonic system, strengthening Looking at the East, developing relations with neighbors, Islamic countries and the developing world, as well as the primacy of the regional view in the international relations within a framework of an "aggressive but software foreign policy". The economic plans of the ninth government at regional and international levels, including goals related to the development of non-oil exports, attracting foreign investment, issuing technical and engineering services, and fighting against the sanctions, increased the responsibilities of the Ministry of Foreign Affairs in the field of foreign economic relations more than ever. Furthermore, due to the concentration of all bilateral, multilateral and international economic affairs in the economic deputy of this ministry, the direct responsibility of the joint economic commissions with neighboring countries and several other important countries was assigned to this deputy.

Throughout the presidency of Ahmadinejad, the government sought to establish a political-economic relationship through a special attitude and reading. During this period, the government, with a revisionist view of the structure of the international system and with a kind of aggressive political literature, cast Iran into the list of security-threatening countries, and its nuclear diplomacy eventually led to international economic sanctions against Iran. This period is considered a failure of Iranian diplomacy and the abandonment of foreign investors.

**Keywords:** Security Challenges, International System, Economic Components, Human Rights, Environment

### **1.Introduction**

In foreign policy, the strategy of governments is shaped by the international system- particularly political and economic threats and pressures- as well as the domestic requirements. Accordingly, political units are forced to reconsider their foreign policy strategies in many cases, despite setting national goals and priorities. In the meantime, the economy is the most important factor that has affected the diplomacy of countries. Some argue that politics and economics are two separate and unrelated categories. However, the everyday facts from the present world show the contrary. The trends of the last two decades indicate that there is a close connection between politics and economics. (Mosallanejad, 2005, p. 85).

In a time when many components of power at the national and international levels appear in the context of economic interests and the factors affecting the interaction between government and the world system are mainly affected by economic-commercial, investment, and production dimensions in the international political economy, it can be observed that foreign policy and the globalization of the economy are deeply and comprehensively interrelated. The effects of elements of globalization of economy on the political and economic structure of countries

double the need to change the policy approach, particularly foreign policy in favor of economic relations. The question now is how the Islamic Republic of Iran, as a member of the international community, has reacted to these developments. It seems that under the influence of both groups of factors in the international system and the domestic environment, Iran's foreign policy has undergone a change and modification in terms of approach which has, in turn, affected the relations of countries and peripheral regions, especially Central Asia, making them more economic. However, it remains ambiguous why and how this shift in approach has had economic orientation.

Some hold the belief that in Iran, considering the government's dominance over the private sector, the economy is a subset of politics, because a large amount of economic activities is controlled by the government (Behkish, 2005, p. 117). Therefore, economics cannot determine political methods and become the center of foreign policy goals. However, it seems that the existing realities and developments of the last two decades in the political and economic scene of the country confirm another view holding that, gradually and due to some changes in attitudes and practical measures in the economic and political environment, the tendency to increase economic cooperation prevails the politicalsecurity view which seeks to represent the Iranian economy as a subset of political goals and aspirations. This shows that the political atmosphere does not prevail where economic logic talks and common interests are considered.

### **1.** The position of economic diplomacy in the era of justice

In preceding periods until the emergence of the ninth/tenth government, although economic issues were considered as development plans, practically economy never enjoyed a high position in foreign policy and was cast aside by political considerations. Under such circumstances, and due to confrontation with internal logics of globalization as well as the different identity governing the foreign policy of the Islamic Republic of Iran in these periods, large grounds for the presence and conduct of economic diplomacy were not developed and consequently, the economy was not pursued as a goal and strategic necessity and strategic plan.

Economic diplomacy could not play a pivotal role in this period and its function was reactive due to the confrontation of the logics governing foreign policy to domestic logics of globalization and affected by the expansion of the confrontation between the domestic and international arena, prioritizing political goals over economic goals in the international arena and continuing the role of government in the economy.

As in previous periods, the process of ignoring economic issues was followed in this period, with the difference that foreign policy passed the defensive phase and the acceptance or non-acceptance of international principles stage and aggressive approach was on the agenda. In this regard, Ahmadinejad con-

sidered himself the son of revolution and believed that if there was a problem for the revolution and the Iranian nation, he would defend it as the son of the revolution. The ninth/tenth government went through the phase of accompanying or not accompanying the logics of globalization of the economy and believed that it is necessary to develop logics in the field of globalization through which new teachings can be provided to promote justice in the world. Ahmadinejad's government, compared to previous governments, sought to pursue justice in the field of international relations and, believed to be changing Iran's position from an addressee and an accused to a plaintiff (Javadi Arjmand, 2010, p. 163). However, the process of aggression in the ninth and tenth periods are different from each other and it is possible to draw a learning curve for Ahmadinejad's government in this framework, moving from the stage of confrontation with the international system in the ninth period to the stage of cooperation with the international system in the tenth. This shows that in Ahmadinejad's foreign policy, a learning curve can be drawn in terms of looking at the international system through which a confrontation with the international arena to cooperate with the international system can be observed (Sari al-Qalam, 2012, p. 73). However, the economy could not find a suitable place in foreign policy again in these conditions and it was still the policy that had directed economic interactions in the field of foreign policy.

After the election of Mahmoud Ahmadinejad as President of Iran and the inauguration of the ninth government in August 2005, the logic governing of foreign policy of the Islamic Republic of Iran also changed. The cultural and democratic pacifist approach was replaced by justice-oriented principles. Meanwhile, the dominance of this concept over foreign policy led to other consequences and orientations, which were considered, more than anything, as aggressive policy in the ninth period and its adjustment in the tenth period (Dehghani Firoozabadi, 2007, p. 93).

During this period, which is called the justice-oriented era due to returning to basic principles and values of the revolution. Iran's foreign policy underwent significant changes and developments despite remaining continual. In such a way that within the framework of basic principles and fixed foundations of the foreign policy of the Islamic Republic of Iran, its behavioral patterns were dramatically changed and the policy of looking to the East was considered and the diversity of Iran's foreign policy was shown in general; the Islamic Republic of Iran Followed the trend of returning to orientations of principles and foundations of the foreign policy in new forms and methods (Mottaghi, 2009, p. 122). In other words, the ideologies and logics governing the foreign policy of the ninth/tenth government was a kind of nostalgic return to 1982, the framework of which at the international level is based on the critique of foundations, principles, assumptions, and logic governing the international arena (Khalili and Azmoudeh, 2010, p. 124).

#### 1.1. Domestic logics governing foreign policy

In the age of globalization and especially globalization of economy, some domestic logic and principles have been formed gradually and special behavioral and intellectual styles have been provided to governments to enter this field. To be effective in the globalization of the economy, we first need to know more about these styles and behaviors. Of course, recognizing these styles and behaviors does not mean passively acknowledging or accepting them, but recognizing the rules of the game. To play in this field and change its assumptions or even modify them, it is necessary to study the existing conditions precisely. During this period, attempts were made to criticize the domestic styles and logic that govern globalization. In the following section, by extracting the perspective of the ninth/tenth government regarding each of the domestic logics of economic globalization and the conformation or non-accompanying of the foreign policy logics with the domestic logics of economic globalization, its impact on the economic diplomacy position is explained.

# **1.2.** The governance and pervasiveness of critical rationality and emancipation in foreign policy

As in previous periods, there was still an attempt to use new rationality to replace instrumental rationality, and different principles along with new literature to orient foreign policy in the age of economic globalization were put on the agenda. The ninth/tenth government tried to demonstrate the efficiency of the Islamic system based on religious rationality and in line with the commitment to Islamic principles and values and modernity in methods, also the use of science and technology with the slogan of serving the people<sup>1</sup>. Attempts to replace rationality with instrumental rationality have been made for years and it was tried to be continued in this government.

One of the most important elements and components of the foreign policy of the Is lamic Revolution in this period is emancipation because this approach is based on criticism, revisionism, and revolutionism. Hence, it critiques the existing order and status quo to establish the desired Islamic regulation through its deconstruction and change. In these circumstances, the ultimate goal of deconstruction and change of the status quo is

1. Secretariat of the Government Information Council, Ninth Government Program, Tehran, August 2005, p. 7.

to ensure human freedom, security, liberation, and prosperity. From the perspective of the ninth/tenth government, human liberation is achieved by exposing and instilling the structures of domination and repression resulting from its malfunction. In this view, when structural violence is created and recreated in the form of structures of domination and repression, humans will be deprived of the freedom of action and autonomy necessary to determine their destiny.

The most important causes of these restrictive structures that impair human happiness and freedom are the governance of instrumental reason, materialism, and the distance from spirituality, morality, and religion (Dehghani Firoozabadi and Radfar, 2009, p. 129)

In this regard, Mohammad Javad Larijani believes that:

"... If we want to have a special concept of development for ourselves, we can go along this direction; we just have to put Islamic reason instead of the technical reason (i.e. instrumental rationality). That is, Islam allows us to build a kind of rationality in the space of Islamic thought. This rationality includes our view of the world, ourselves, our actions, etc. Therefore, we must measure development based on rationality. If we plan for such development, perhaps a new model of development will be found in the world. But if we want to work on the development of our country only based on the amount of industrial production and our share in the world industrial production, we will at most become a country like Singapore and Taiwan and the like." (Larijani, 1995, p. 9).

According to this model of thinking, the behavioral framework in the age of globalization of economy, which is based on instrumental rationality, cannot provide the preconditions for development for the Islamic Republic of Iran. Therefore, the formulation, creation, and replacement of new rationality in contrast to the rationality of modernity and Westernism, which is instrumental rationality, can better help orient the foreign policy of the Islamic Republic of Iran.

### **1.3.** The governance of logic based on justice, spiritualism, compassion

With Ahmadinejad's victory in the presidential election, his government tried to introduce four main axes beyond his government in the form of a justice-oriented principlist approach. Justice, compassion, progress, material and spiritual excellence, and providing services were among these axes. (Ehteshami, 2007, p. 45) within the framework of justice approach, efforts were made to pursue this concept in both domestic and foreign arenas, and therefore presented their detailed plan and supplementary plan in these four components; in this regard, it was suggested that the divine land of Iran always will strive for world justice and refute the system of world domination and will pursue the light of justice and spirituality (Akhavan Kazemi, 2009, p. 14) In fact, virtuous and wise innovation, justice and monotheism are the three axes on which Ahmadinejad relied, a triad that can be considered part of the theory of the new general revolution in the world today (Zarei, 2008, pp. 22-23).

Regarding the foreign policy, attempts were made to introduce the ninth government as the breaker of foundations and the beginner of a real fight against world arrogance to confront the political, economic, and cultural injustices in the world today. Because there was an opinion that in the form of detensioning approach, Iran's status has declined, but the Islamic Republic of Iran has not acted as a being responsive rather it tries to challenge arrogance and go beyond the concept of power and balance of power and justice and present justice as one of the main practical bases of the Islamic Republic of Iran at the international level and international organizations (Molana and Mohammadi, 2009, p. 143) Accordingly, the main logic in this period can be called the logic of the task. This logic is different from the logic of result and the instrument rationality governing globalization because, on the one hand, the tastes of an actor in the field of foreign policy are not based on the possible results of various actions and the maximization of material gain and maximum wealth and power; rather, the motivation is behavior, the inherent appropriateness or inappropriateness between conformity to divine commands and its legitimacy based on religious duties and responsibilities, and is measured, above all, by the religious criteria and the degree of conformity and happiness, with tangible and material results such as wealth and power (Dehghani Firoozabadi, 2011, p. 20). Criticism of the foundations and values of globalization caused the characteristics of the foreign policy contained in the Fourth Development Plan to be completely criticized. From the point of view of the leaders of the ninth government, the fourth program can be considered a fullfledged mirror of the secularist and liberalist ideas of the reformists who had developed the program without considering the ideals of the Islamic Revolution with a passive view of the domination system (Bozorgi, 2009, pp. 88-89). Ahmadinejad believed that trying to accelerate the development of the country and preparing to govern the world and providing the conditions for human excellence is one of the most important missions of his government. The culture of the Islamic Revolution, based on the teachings of pure Islam, is the only way leading to saving and

prosperity of humanity, and considering the impasse of the material world in various theoretical, cultural, and economic fields, the Islamic Republic of Iran can quickly provide humanity with the right solutions to govern the world. In this regard, he believed:

"..... Planning and development based on the capitalist economy, by moving in a closed circle, has led to unconstructive and destructive competition and has failed in practice.<sup>1</sup>"

Proponents of this approach argue that a wealth of scientific studies testify to the unfairness of the fruits of globalization. UN studies argue that while much success has been achieved through globalization, it emphasizes that benefits are not distributed fairly. What has been pursued as globalization in developing countries has led to greater income inequality, even in countries that have been successful in terms of growth. The dominance of neoliberalism in recent decades over the world economy, even in developed countries, has had dire consequences in terms of justice. The same danger is predicted in our country. Even proponents of integration in our country accept unfair short-term effects. The current pattern of globalization continues to have unjust social consequences; the main winner here is the wealthy neoliberal countries (Tavakoli, 2006, p. 17). In this regard, the ninth government in its performance report stated that the diminution of the original and fundamental beliefs of the revolution in the expression and action of the country's executive officials in recent years had caused the Islamic Republic of Iran in the world of Islam to face challenges and frustrations and the despair and dejection resulting from this circumstances had impacted the Muslim masses and other deprived nations of the world.

1.4. Attempts for the excellence of the country as a replacement for the concept of economic development and extraversion As in previous periods, the need for independence and self-sufficiency is emphasized. Of course, the idea of independence does not date back to this period, and since previous periods, each government and even previous historical periods have emphasized this concept differently. This thinking in each period has caused a certain type of diplomacy to be pursued both by our country's foreign policy and by the other countries (Naghibzadeh, 2009, p. 49). This issue was finally pursued in the foreign policy of the ninth/tenth government with different literature. In this government, achieving independence and selfsufficiency are achieved not through development rather it is realized through excellence. Strategic documents, such as the first to fourth development plans, always indicate the gradual acceptance of the increasing role of globalization trends and the importance of competition in global markets and the role of non-governmental actors in the economy and regional and international economic blocs, and the realization of economic interests within an active foreign policy with a dynamic interactive strategy. Accordingly, it was agreed with the precondition that whenever the country's economic and political elites insist on the need for greater dynamism in the global economy, this issue will act as strong and effective leverage in foreign policy and pursuing an interactive and security-oriented policy. Moreover, whenever they consider the economy as independent from cooperation with the global economy, this leverage will be weaker in the foreign policy (Vaezi, 2019, p. 17).

According to the logic governing the behavior of this government, and in the framework of the Fifth Development Plan, the establishment of a religious community based on the principles and values of the transcendental Islamic law, which ensures the happiness of the world and the hereafter, was at the center of gravity. Therefore, the President not only considered the provision of human wellbeing and excellence in the domestic society as the duty of his government but also considered one of the most important missions of foreign policy as the excellence of human societies, as the President had emphasized in all his talks at the United Nations. The capitalist system seeks to maximize material profit; however, transcendentalists believe in the administration of justice, and in any case, if their beliefs and values are interfering with material gain, they will undoubtedly prefer values (Dehghani Firoozabadi, 2007, p. 75). That is, according to this view, achieving economic development and progress is not necessarily achieved by accepting the extraversion nature of the economy, but it is important how the conditions for achieving excellence can be achieved and even it is possible that introversion in this area is more important than economic extroversion or development.

"Right now, Islamic Iran is slowly emerging here to destabilize the system of world domination and spread the light of justice and spirituality... we bravely archive development in the imitative and perhaps imposed sense. "What guarantees the growth, prosperity and simultaneously the excellence of our society is only the Quranic interpretation that can be achieved in the shadow of wisdom, justice, and government based on pure Islam, which will end in the promised excellence.<sup>1</sup>"

In this regard, Hamid Molana, who was also a government adviser, criticized the concept of development in the Western sense. He believed that:

"Development and non-development are both states of mind. Development is an am-

<sup>1.</sup> Secretariat of the Government Information Council, Ninth Government Program, Tehran, August 2005, p. 9

biguous concept that still lacks universal and scientific values and is more culturally oriented. Consequently, any discussion of development must begin with the subject of value systems. Development, in the sense given in the last half-century, is special Western rationalism and a hegemonic tool and a kind of planning policy that the great world powers have sought to legitimize and publicize by policy-making and contracts and mobilizing national and international organizations and have confused the people" (Molana, 1995, p. 8).

Therefore, in the programs of the ninth/tenth government, the emphasis was placed on excellence, which means human growth and evolution, more than the discussion of development such that in the ninth government plan, the expansion and administration of justice and development and comprehensive and endogenous excellence and the use of advanced science and technology to achieve justice and promote health and well-being were proposed as one of the major strategies of the government. The government's program placed particular emphasis on the conflict between development and excellence. In addition to domestic policy, the proposed concepts also influenced foreign policy programs and goals (Khalili and Azmoudeh, 2010, p. 115) such that Ahmadinejad, on the need to reform the concept of development and strengthening it with the element of spirituality, stated that:

".... In our view, justice is the basis of progress, and progress is the foundation of justice; That is, if we only seek justice, we will not achieve anything without looking at the progress of the country. If we pursue the progress of the country without justice, we will still not get anywhere. We want the country to progress based on justice; That is, is the main servant of the excellence of the country. Comprehensive excellence of the country, material and spiritual excellence in all sectors and fields that can be worked on<sup>1</sup>".

Proponents of transcendental foreign policy theory, who believe that we are in the doomsday age, consider it their duty to revive and strengthen the rites and ideals of the Islamic Revolution, which are the basis for the emergence of transcendental foreign policy. The source of this belief is that the world system is on the threshold of a new evolution which, according to those who are interested in it, has taken the world into a new era of thought and culture because the political and economic models and formulas that govern the world today, which have been presented for years by materialist schools and great powers, have lost their capability and are in weakness, crisis and decline. In their view, the world is now in search of new and prosperous ideas and ideals which are all going to be offered by the Islamic Revolution, of which transcendental foreign policy is a part (Khalili and Azmoudeh, 2010, p. 145). In this period, the government claimed that by using new methods, economic independence from the Western world can be achieved, because the element of spirituality has no place in the concept of development, and it is in excellence that independence can be achieved. Therefore, in the foreign policy of the Islamic Republic of Iran, achieving economic independence through the replacement of new concepts with economic extraversion and economic interdependence was also considered (Pesaran, 2011, p. 186).

### **1.5.** Lack of systemic thinking and development of a diversity of views regarding the globalization of the economy

Globalization consists of three interrelated angles including economic, political, and cultural, and their entanglement has been one of

<sup>1.</sup> Lecture in the meeting of the country's executive managers with the Supreme Leader of the Revolution, Tuesday, June 26, 2007

the governing principles of economic globalization. However, in different periods of Iran's foreign policy, and especially in this period, the view of many politicians and statesmen on globalization was based on the principle of reparability. In other words, to ensure and avoid political and cultural harms, politicians in this period have also tried to break down the triangle of globalization and treat every angle and aspect of it separately and separate the economic relations from the cultural and political relations (Sari al-Oalam, 2010, p. 25). Of course, in this period, not only the triangle of globalization of the economy was separated from each other, but also it was tried to replace new topics and perspectives for each side of the economy globalization triangle. As for the economy in the international arena, the need to cooperate with other actors was considered.

"In the foreign trade..., our task is to go and open the way, conclude grand agreements, create opportunities, build the infrastructure. For example, the banking system should introduce tariffs, customs, and agreements, and hold exhibitions. This is the duty of the government. We do this. Since our first trip, they have been with us from the private sector until now that the head of the Chamber of Commerce is even with us. We have to pave the way and people do the works; Whether in trade, technical and engineering services, or investment. This is our duty<sup>1</sup>".

The above sentences indicate that in this period, as in previous periods, it was tried to separate the political, economic, and cultural issues from each other in international interactions and different measures were taken to each factor. For example, in trade and economic issues, our country should continue to seek cooperation with the world economy and strive to achieve economic benefits from its interactions. But in the political and cultural arena, the Islamic Republic of Iran had also pursued contradictory policies in this period. However, in globalization, there is a systematic relationship and it is not possible to cooperate in the economic aspect but follow contradictory trends in the political aspects of the culture of politics. In other words, one of the issues we have always faced is that despite the sixty-year history of planning in the country, there is still no planning thinking in our policies. That is, our programs do not move within a coherent pattern and lack of pattern has caused great damage to the Iranian economy (Behkish, 2005, p. 12). The contradiction in the type of interaction with different dimensions of globalization can be considered due to the learning curve in the ninth and tenth governments.

## **1.6.** Attempts to correct the unjust structure of the world and provide a solution for global management

The government's perspective on international rules and regulations can be traced to its perception of the export of revolution. The expert of revolution in the era of justice is defined in the framework of the theory of revolution as the promotion of thoughts and ideas of Islamic Revolution through the awareness and liberation of Muslim nations and the oppressed of the world.

The concept of export of revolution in this period means promoting the ideas and ideals of the Islamic Revolution, which includes raising awareness and liberating others, and seeks to make other nations aware of the existing domestic and international conditions and the desired situation at these two levels. In this context, the principle followed by the export of revolution is revisionism, in which an attempt is made to change the unjust structure and rules governing the relations between states and nations (Dehghani Firoozabadi and Radfar, 2010, pp. 190-194). In this

1. Lecture in a meeting with members of the embassy and Iranians living in Afghanistan - Thursday, August 9, 2007

regard, the reform of international organizations and the fight against injustices caused by international conditions were among the examples and consequences of the export model and behaviors resulting from justice and anti-hegemony in the foreign policy of the Islamic Republic of Iran (Dehghani Firoozabadi and Radfar, 2009, pp. 183-187). Regarding anti-oppression, Ahmadinejad stated that:

"..., in the field of foreign policy, our great Imam declared from the very beginning that we do not oppress anyone and we do not go under the burden of oppression. He said that we stand as long as there is oppression, rape, and coercion at every corner of the world. We cannot leave the oppressed, we must stand by the oppressed. We cannot cope with the oppressive relations that govern the world. To accept them or ignore them in some way has no place in the foreign policy of the Islamic Republic, wherever the system is unjust, whether, in a specific area or the global, economic, cultural, and political arena, we cannot cope with it. Even international organizations were created to establish justice but have failed to achieve this goal<sup>1</sup>".

Foreign Minister, Manouchehr Mottaki, also stated that the orientations of the ninth government are within the framework of the Islamic Revolution and the values of the Islamic Republic of Iran. Hence, the relationship between the West and the attitude of justice towards the international system and foreign policy is completely in line with the logic of the Islamic Revolution and the thought of Imam Khomeini (Mottaki, 2006). The important goal of foreign policy is to criticize international organizations to change and transform them to establish a just and desirable Islamic order (Eivazi, 2008, p. 210). Justice and the establishment of the desired order at the level of the international

system have two positive and negative dimensions. Its negative aspect implies the deconstruction or undermining of international order. However, the positive aspect explains and regards the world order and system under the light of promoting and establishing Islamic justice order and providing its equipment. In other words, the establishment of a just international order and system takes place in two stages: First, the destruction and change of the existing order; Second, the promotion and consolidation of the desired Islamic order. (Dehghani Firoozabadi, 2007, p. 84).

Mottaki believed that: ".... The Islamic Republic of Iran has a critical approach to international organizations. We believe that after sixty years, the international organizations should be analyzed to determine their problems and the interests of all countries should be served. In the meantime, not only the United Nations but all international economic organizations must serve the interests of the developing world and the world's middle power..." (Mottaki, 2006).

### **1.7.** Distrust and the threatening nature of the international arena

Mahmoud Ahmadinejad believed that justice, peace, and removing threats were three important elements in the foreign policy of the Islamic Republic of Iran; the concept of threat was a good indication of the fact that it reflected the foreign policy view regarding global developments. Threat means that in the age of globalization, the economy and its internal logic cannot be decided based on its apparent reality, but it is the injustice and threat that is continuing in the world from the strong to the weak<sup>2</sup>. During this period, influenced by the international situation that had arisen for the Islamic Republic of Iran, the international view regarding the threatening nature of international became more preva

<sup>1.</sup> Speech at the meeting of chairmen of abroad agencies of the Islamic Republic of Iran, 2005

<sup>2.</sup> Speech at the inauguration ceremony of the President, Saturday, August 6, 2005

lent over the foreign policy of the Islamic Republic of Iran such that one of the most important factors for the prevalence of principlist in this period was perusing aggression approach in this government is considered to be from international insecurity issues on Iran's confidence-building behaviors in previous periods (Mansouri Moghadam and Ismaili, 2011: 290). In this regard, he believed:

"... Today, unfortunately, there is an atmosphere of distrust all over the world. How can we maintain lasting peace and tranquility in an atmosphere of distrust? To build trust, we must all be committed to justice; Justice that revives love for human beings, love for nations, and philanthropy in the human heart. We think that the relations that exist between countries today, this diplomacy arising from power-seeking, this diplomacy arising from the group and sectarian interests and special geographical interests, cannot bring peace and tranquility to humanity..... We now see that there are a lot of political communications and relations in the world, but in many of these conversations, while the parties are smiling at each other, they are each hiding a dagger behind them and waiting for an opportunity to plunge that dagger into the heart of the other party. Where will we end up with this relationship? Is it possible to hope for a future full of peace and tranquility? We have no choice. We must return to monotheism and justice<sup>1</sup>."

### 2. Indicators of the position of economic diplomacy in foreign policy

There was no agreement between the logic governing the foreign policy of the principlist era and the logic of globalization of the economy. The ninth/tenth government sought to adopt new teachings and principles in the international arena. Following the new direction in the foreign policy of the Islamic Republic of Iran, the position of economic diplomacy faced the same challenges and obstacles as in previous eras, and despite the use of the concept of economic diplomacy among executive authorities, this concept failed to provide the basic conditions for effective presence in foreign policy. To better examine this issue, as in previous periods, the position of economic diplomacy should be examined and evaluated in the form of four indicators.

### 2.1. Economic diplomacy agent

In the ninth/tenth government, as in previous periods, efforts were made to strengthen the economic deputy department in the structure of the Ministry of Foreign Affairs to undertake economic activities.

In this regard, new tasks and goals were foreseen for the Deputy of Economic Affairs, which following the new developments, were necessary to be pursued in the economic sector of the Ministry of Foreign Affairs. Apart from the pursuit of bilateral and multilateral economic interactions by the economic deputy, at the same time, the same policy was tried to be followed in the embassies section, and following the instructions of the Ministry of Foreign Affairs, all ministries tried to coordinate the economic affairs and related projects with the deputy of economics (Daman Pak Jami, 2016, p. 249)

However, despite all the efforts made to expand the activities of the economic deputy, in early 2012, this deputy was dissolved and all its duties and structures were entrusted to political deputies related to different regions. According to Manouchehr Mottaki, the process of economic deputy's activities without the international sector and only in the field of multilateral issues continued until the

1. Speech in a meeting with foreign ambassadors on the occasion of the 27th anniversary of the victory of the Islamic Revolution, Monday, February 13, 2006

ninth/tenth government with ups and downs. Until this issue was re-examined in 2005 and an attempt was made to re-establish the previous structure of the Ministry of Foreign

Affairs in the economic field, as before, and therefore a deputy official was elected who was in charge of foreign economic issues. However, there was no agreement with the economic and international deputy, and the two deputies had to be merged, which never happened. It was tried to face international challenges shortly due to the nature of the Ninth Government's interactions, which we could better manage through the Economic Deputy. However, the Deputy of Economy continued to pursue the same multilateral relations, and we revived economic relations in the Ministry of Foreign Affairs, and the Director-General of Economic Affairs was appointed. This was partly performed from 2006 to 2009, but due to the structure that had collapsed over the past twenty years, the Deputy of Economic affairs at the Ministry of Foreign Affairs failed to be operated. (Interview with Mottaki, 2012).

In his view, it was necessary to reestablish the economic and international deputy. The sectors which were subsets of the political deputy should be simultaneously subsets of the economic and international deputy. And the regions should be revitalized and a director-general should be added to them, and the economic deputy should be reunited with the international sector, and economic relations should be coordinated through this deputy. It should be examined where in other countries foreign economic relations are concentrated and it should be done in Iran as well. The Fifth Development Plan stated that foreign economic relations should be at the heart of the Ministry of Foreign Affairs. However, the partisanship of other related organizations led to disagreement. Organizations with export and economic capacity should coordinate their economic relations with the Ministry of Foreign Affairs, and in this process, if the private sector plays a greater role in this regard and coordinates with the Ministry of Foreign Affairs, there will be another challenge related to interaction with other agencies in charge of economic activity. (Interview with Mottaki, 2012).

The dissolution of the economy deputy as the main agent in conducting economic diplomacy in foreign policy indicated that the economic deputy had not been able to play a role as a specialized agent in the foreign policy apparatus. On the other hand, in the view of the Deputy of Foreign Affairs Ministry and the Acting Deputy of Economy about the economic diplomacy brokerage was noteworthy in this regard. According to him, the container (i.e., the foreign policy apparatus) and the content (i.e., economic diplomacy) need to be compatible. The concept of economic diplomacy is the essence of the real work of diplomacy, and therefore the focus should be on the ministries in which diplomatic work is practiced. Russia Today Channel, for example, acts as an agent tool for the Russian Foreign Ministry. Therefore, all policies need to be decided by a relevant institution. According to Borgheii, the economic deputy could have been responsible at one time, but to balance with the other deputies, it was necessary to dissolve this deputy (Interview with Borgheii, 2012).

This point indicated that this deputy was unbalanced with other deputies. Even according to the Director-General of Economic Cooperation of the Ministry of Foreign Affairs, the presence of this deputy was structurally and administratively such that its existence was actually better than its absence, and it has complicated the bureaucratic process since its formation and has practically created an inconsistency in economic and political activities with other deputies. In other words, according to him, the economic diplomacy agency would have been activated better if foreign trade was a subordinate of the Ministry of Foreign Affairs (Interview with Mousavi, 2012).

Such developments in the Deputy of Economy and Economic Sectors of the Ministry of Foreign Affairs raised the question of why and how there is so much vicissitude in the agency of economic diplomacy. It seems that before discussing the merger or separation of economic diplomacy agencies, mergers or separations with such issues are the only tools. The first question to be asked is what is the purpose? The countries that merged the Ministry of Foreign Affairs and Trade aimed at integrating into the global economy. Therefore, Iran must initially clarify its purpose regarding the interaction with the global economy and then prepare certain institutional tools. Mergers alone lead nowhere. An example is the merger of the Ministry of Commerce and Industry, which failed to achieve its goals due to a lack of infrastructure and theoretical foundations (Interview with Omidbakhsh, 2012). Apart from this, in recent years due to the urgency and international pressures, economic issues have been considered in the Ministry of Foreign Affairs, and perhaps it is due to face this fact, that it can better pursue its goals in the international system (Interview with Behkish, 2012).

### 2.2. The performance of diplomats in economic diplomacy

Despite all the efforts that the Islamic Republic of Iran has made so far to become a member of the World Trade Organization, diplomats specialized in this field have not been trained accordingly and generally, diplomats in charge of economic affairs in the Islamic Republic of Iran specialize and work in other fields. Diplomats at the ministry of Foreign Affairs have not been very professional. In this period, as in previous periods, some diplomats put economic issues on their agenda because of their interests and abilities. Of course, the presence of these diplomats does not mean that economic diplomats were trained systematically and structurally, they worked in this field due to their abilities and personal characteristics, and behavior (Interview with Tavakoli, 2012). The diplomats in the Ministry of Foreign Affairs are generally bureaucratic and perform their duties in the form of a bureaucratic system. The degree to which diplomats are independent in carrying out their missions is not sufficient to enable them to take the initiative. Therefore, the set of actions taken by diplomats is based on the instructions and tasks given to them. Of course, the tasks and tendencies that exist for diplomats tend to be more political than economic. For this reason, it was decided that in some embassies, people would play the role of commercial agents and the Ministry of Commerce would bear the costs. Eight people were introduced in this field. In the beginning, they encountered contradictions in approach and work. These contradictions were such that it was eventually suggested that these individuals serve as diplomats at the Ministry of Foreign Affairs. This meant ignoring the expertise and privacy of these people, and practically it was tried to integrate the people in question into the bureaucratic flow of the Ministry of Foreign Affairs (Interview with Behkish, 2012).

According to Mottaki, since the 1960s, when the Deputy of Economy and International Affairs of the Ministry of Foreign Affairs were restructured, economic activities, especially bilateral ones, have been conducted under the Deputy of Politics, leading to a gradual decline in the number of economic experts and specialists; in effect, an expert at the Ministry of Foreign affairs was doing both economic activities and political missions, as well as advancing cultural missions. This process continued, and in this regard, the Ministry of Foreign Affairs failed to train experts and specialized and economist diplomats, both in its structure and through cooperation with the country's economic sectors (Interview with Mottaki, 2012).

Therefore, in this period, as in the previous period, the diplomats who conducted economic affairs were holistic and taskoriented diplomats who pursued their duties based on bureaucratic conditions and there was no accumulation of experience and expertise. As it was confirmed in another interview, despite the changes in the economic policies of the Islamic Republic during this period, some sectors and areas such as foreign policy officials and diplomats were holistic diplomats. This means that the diplomats in this period also performed their duties in the form of diplomatic tasks that were designed for them, or that in addition to political and cultural issues, they also pursued economic issues, and there was no expertise in the diplomatic structure of the ministry of foreign affairs. (Interview with Mousavi, 2012)

### **2.3.** Levels and environment of economic diplomacy

Examining the statistics of bilateral economic and trade agreements between the Islamic Republic of Iran and other countries and even in the form of international and regional organizations in this period, it was found that as in previous periods, the ninth/tenth government orientation in foreign policy has a great impact on the type of bilateral economic interactions and the trade parties. This led to the economic interactions of the Islamic Republic of Iran to be followed in line with the political priorities of the ninth and tenth governments. According to the statistics approved by the Islamic Consultative Assembly, 41 economic and trade agreements have been registered during this period. This indicates a change in foreign policy priorities compared to the previous period, as well as a change in the type of countries. Latin American countries have a greater role in these agreements than any other country. Of course, it should be noted that during this period, developments and the number of international sanctions against the Islamic Republic of Iran also had a major impact on the number of economic agreements.

Given the government's record on the performance of economic diplomacy, it is clear that it has performed better in bilateral and regional areas, which required both simplification and less expertise. But in the field of regions, despite the efforts made, there were no tangible achievements for Iran. In these areas, too, politics prevailed over economics. In the case of the bilateral, these efforts were mainly pursued in the form of joint commissions, which in the modern sense cannot be considered an example of economic diplomacy. Iran also had no experience regarding the multilateral cases and there is still a long way to go before negotiations on accession to the World Trade Organization, a clear example of multilateral economic diplomacy (Interview with Omidbakhsh, 2012).

In the field of bilateral economic interactions, the Islamic Republic of Iran in this period did not base its economic interactions more in line with economic goals and intentions, but as in previous periods, based on political goals and relations. Of course, the type of economic interaction with any country and the appropriateness or inappropriateness of these interactions and the study of the effects of this economic cooperation is beyond the scope of this discussion, but what is most obvious is that the direction of bilateral trade agreements in this period was mostly in line with Latin American and African countries and countries that have moved more in line with the justice-oriented thoughts that governed the foreign policy of the ninth/tenth government. It was political and justice-oriented goals and priorities that shifted the burden of economic interaction in all directions.

During this period, although attention to international and regional organizations in international interactions increased, Iran's presence was often in organizations and coalitions that were more directed towards the coalitions of the Third World and developing countries. But despite attending these meetings, distrust, and skepticism towards international organizations, especially in terms of economic development, was considerable (Sajjadpour, 2008, p. 29).

The economic interactions of the Islamic Republic of Iran in two fields of multilateral and bilateral were minor. Of course, compatible with the history of bilateral economic interactions, this level of economic diplomacy was used more frequently. There was still not enough preparedness to negotiate with the International Trade Organization and interaction in Iran meant interaction in all economic fields and this issue was not still formed in Iran since in the multilateral economic interactions, a part of the economic decision-making authorities should be delegated which seems to be a problematic area in Iran.

The weight of foreign policy on economic diplomacy was more tangible than ever.

Therefore, the downstream priorities were considered by the Minister of Commerce and caused the Minister to seek solutions to economic problems at the lower levels of society, rather than thinking about the manner and type of interaction for how to join the World Trade Organization (Interview with Fakheri, 2012). It seems that one of the problems of economic diplomacy interactions and levels of economic diplomacy in the foreign policy of the Islamic Republic of Iran was that a clear and definite trend to adopt the type of bilateral, multilateral, and regional economic interactions had not been formed. It showed that economic interactions and the levels of application of economic diplomacy had always changed with political considerations (Interview with Tavakoli, 2012).

### **3.** Challenges facing economic diplomacy **3.1.** Priority for extending justice to the international arena

Ahmadinejad tried to focus on domestic issues by emphasizing a return to the principles and foundations, and tried to present domestic and indigenous models in the world and offer a new look to the field of international relations especially in the field of economics rather than on the continuation of the past method based on the assumption of international principles (Pesaran, 2011, p. 158). The type of international interactions that was also emphasized during this period was based on justice considerations, in which interaction with the East and Latin America spread more than anything else, and a Latin American foreign policy was created in this period which was more based on revolutionary and just principles than on economic principles and goals (Ehteshami and Mahjoob, 2008, p. 57).

In an age of globalization and close ties between countries, economic, financial, trade, and especially technology considerations are influential in many policies. Simultaneously with these developments, from the beginning of the Islamic Revolution of Iran, Iran's economy and foreign policy tended towards the Third World, developing countries and distancing themselves from Western countries, and a local and domestic view of the national economy prevailed. Given Iran's economic dependence on oil and the limitation of foreign economic relations to the purchase of goods and services, Iran's economy is not international. That is, to the extent that the economies of South Korea, Turkey, Singapore, Malaysia, Brazil, China, and Mexico have become international in recent years and are locked to global markets for exporting goods and services, Iran's economy is highly local and indigenous. Therefore, the logic governing the foreign policy of the Islamic Republic of Iran in this period was based on maintaining a strategic distance from the great economic powers and did not need much change to manage its economy. The economy and foreign policy of the Islamic Republic of Iran are moving on two different rails without contact or even a point of contact with each other (Sari al-Qalam, 2011, pp. 29-30).

In the previous periods, security was considered along with economics and freedom. In this period, a direct relationship was established between security and the concept of justice (Mottaki, 2006). In this regard, an attempt was made for the government to pay more attention to public diplomacy than economic diplomacy to present a successful model. The justice-seeking government had tried to have a positive and constructive impact on the international environment, especially public opinion, to achieve many cultural, political, spiritual, economic, and even military goals by creating a favorable image of Iran; therefore, the international view of The Islamic Revolution was noticed more than anything else (Dehghani Firoozabadi and Firoozi, 2012, p. 103).

## **3.2.** Interpretation of privatization to increase the role of masses and the people in the form of distributive justice

In the age of globalization, the governmentinvolved economy has shrunk and the nongovernmental sector has become more active. As a large number of factors of power occur at the national and international levels in the field of economics, the emergence of new actors and relations in the economic field has changed the position and power of governments in the political field. Although the links between Iran's economy and the world economy are very limited, the Islamic Republic of Iran has not been able and cannot be indifferent regarding the globalization of the economy in the field of foreign policy and its decisions in this area (Vaezi, 2012, p. 126); however, the interpretation of privatization was different from the common perception in the ninth/tenth government. In other words, privatization that existed so far in previous governments needed to be reformed by giving more value to the role of the masses in the form of high-yield economic plans and distributive justice (Ehteshami & Zweiri, 2007, p. 89).

Despite this fact, the Ahmadinejad's government, by emphasizing spirituality alongside the concept of justice, extended its definition of increasing the role of nongovernmental and private actors beyond the existing theories of justice. He believed that the lack of justice in the individual and social domains in Western societies has caused a crisis of spirituality and identity. In this regard, the target group of the ninth/tenth government is not the elite class and managers with political and active civil society organizations, but the general public. Ahmadinejad was talking to the people, and even in the government's executive plans, the public was more concerned than capital and investment (Khajeh Sarvi, 2007, p. 29).

In a new definition of privatization and the role of non-state actors, Ahmadinejad stated:

"... A concept emerged over the years that I think was either not well defined or did not work properly and yielded the opposite answer. Leaving things to people was translated into privatization, and privatization was translated into the sale of some state-owned companies. In my opinion, this is a very low level of delegating affairs to the people... The process of downsizing the government means handing over things to the people. A lot of work has been done, but unfortunately, we have to say that the size of the government has become much larger. Consider this number, which is an annoying number. From 1993 to 2004, the ratio of investment development in the sector of state-owned companies to the rate of delegation to people is from at least ten times to 530 times. This does not mean privatization and handing over. This development means government intervention. Of course, the new government is determined to rectify this problem<sup>1</sup>".

Almost from 2005 onwards, the general orientations of the government's economic policies shifted once again towards redistributive policies. Signs of a move toward redistributive policies became apparent almost immediately after the 2005 election campaign, and in fact, the election campaign was largely reduced to a struggle between the first and second states of the pendulum swing. With the formation of the ninth government, the platform was laid for economic policies to move toward redistributive policies. The most obvious aspect of the new redistributive policies was the distribution of justice among the lower and needy classes. Under these policies, the government committed itself to first distributing the shares of state-owned factories and then, at intervals, distributing their profits among these classes. In theory, these policies aimed to reduce the class gap in social construction through the redistribution of state assets (Hatami, 2010, p. 11).

In the process of privatization of the government, the ninth government tried to follow the distribution of state-owned companies among the public in different forms instead of transferring them to the individual(s) which did not have the desired result in previous governments and led to the bankruptcy of many companies. He resorted to strategies such as distributing justice stocks or handing over factories to the underprivileged and lowincome people and raising the slogan of bringing oil money to the tables of the people and reducing the gap between rich and poor and fighting capitalism (Salehi-Isfahani, 2009, p. 3). In the same vein, the government sought to pursue two features that seemed to be heterogeneous. Ahmadinejad's government believed that the

people were the keys to the success of the privatization process in the country, while the two previous governments stretched their hand to get help from large investors in advancing the government's minimalist policy and privatizing government companies. In the view of the Ninth and Tenth Governments, by doing so, in addition to making the government smaller by distributing government capital among the low-income classes, the existing class gap could be significantly reduced. Therefore, the goal of privatization and redistribution of capital was pursued simultaneously. (Khajeh Sarvi, 2007, p. 30)

1. Speech at the appreciation ceremony of the country's best exporters, Thursday, October 20, 2005.

In this context, the possibility of expanding the role of the government in the field of the economy had increased significantly. De

spite differences in the ninth/tenth government's view of privatization, another economic transformation was taking place. As Iran's economy was under more international pressure than before, the cost of producing goods increased and the import of goods was not as easy as before. International problems and necessities caused voices to be heard from all corners, calling for a return to an economy based on monopolies and the government. Proponents of this approach argued that in the current context and since performing economic activities are getting more difficult than before especially in the field of foreign trade, the works in this area should be given to government institutions or groups trusted by the government so that due to their connections between them and the government, the necessary consumables and investment goods are provided. In other words, this approach sought to solve the problem of sanctions and international pressures by centralizing economic operations, a focus that ultimately leads to more government dominance and influence in the economy. The view that existed during the time of the Holy Defense and the ninth and tenth governments was considered in economic policies (Jabal Ameli, 2012). For example, regarding the increase in the role of non-governmental actors in the Chamber of Commerce, based on the charters concluded with the Ministry of Commerce, Industries, Economy, and Finance, it was decided to delegate parts of their duties and powers to Iran Chamber. For example, in the case of holding specialized and international exhibitions, which is a specialized and main work of non-governmental actors, which these ministries did not pay attention to despite the initial agreement, and the government itself was in charge of holding these exhibitions. Or, according to an act of the Islamic Consultative Assembly, a negotiation council was to be set up to increase the role of the private sector.

This council was supposed to consist of eight economic ministers, members of parliament, and eight members of the private sector, i.e. heads of chamber organizations. This act was foreseen by a legal executive body and was supposed to use the consultations of the private sector, but this act was not implemented and it was stopped after a few sessions. The total transfers to the private sector were about 13%, which was real, and other transfers remained in the hands of the quasi-governmental sections. Of this, 13% of the government had only ceded ownership and its management had not been ceded to the privatized sector. Internal barriers and lack of interaction with the international system were very influential in this regard. Economic diplomacy requires a dynamic, and this dynamism, with the three developments and challenges that have arisen, has led to the cessation of economic diplomacy (Interview with Fakheri, 2012). As we can see in the figure below, the size of the government is still larger than the private sector, which means that there was no room for economic diplomacy in the field of foreign policy.



*Figure 1. Economic liberalization in the Islamic Republic of Iran* http://www.heritage.org/research/features/index/downloads.cfm (2012)

### **3.3. Extension of confrontation in the domestic and international arena**

The confrontation or interaction of the ninth/tenth government with the international system in this period became more explicit and practical than in previous periods. In this view, the passive approach, minimal and limited interaction of previous governments with the international system was not commensurate with the position and goals of Iran's foreign policy, and it was emphasized that unlike previous governments, it is necessary to pursue an active presence in the world (Mohammadi, 2007, pp. 82-83). However, active presence in this period did not mean the expansion of cooperation and more interaction with international actors but meant the presence as a claimant and creditor and incompatible in the international system. In this way, the views and perspectives of the Islamic Republic of Iran can be replaced as a plan to replace the current issues and logics of globalization.

According to the approach of the justiceoriented government, the ninth government, while denying passivity in foreign policy, believed that the Islamic Republic of Iran should pursue respect for the three principles of dignity, wisdom, and expediency in the field of foreign relations based on active diplomacy. Therefore, to adopt an active and effective foreign policy, the Islamic Republic of Iran, instead of playing a defensive game on its field, should carefully throw the ball in the opponent's field because playing at the home field will at best lead to not receiving a goal from the opponent in the game. In this context, an aggressive foreign policy can, to any extent, lead to the realization of an active

foreign policy, which means taking advantage of opportunities while trying to create opportunities in the international arena (Dehshiri, 2006).

Throughout different periods, especially in the ninth/tenth government, there was no correspondence between the realities and discourses governing the international arena and the globalization of the economy and the domestic arena, i.e. foreign policy. Even if attention was paid early in the foreign policy of this period, the performance indicated that the results were not as significant as expected. Because the attention to the talk of economic globalization was to be consistent with foreign policy, it would at least be necessary for it to be reflected in foreign policy thinking and programs. However, the goals that were even considered for the fourth plan changed in this period and modified in the form of the fifth plan, there was a challenge of interaction between the domestic arena and the international arena, and it reached its peak during this period (Interview with Fakheri, 2012).

### 4. The effects of policy-making of the Ministry of Foreign Affairs on economic affairs in the ninth and tenth governments

The logic governing foreign policy in this period (as it can be seen in Figure 1) was increasingly different from the logic governing economic globalization. During this period, in the field of foreign policy as well as the domestic field, an attempt was made to create a new literature to orient Iran's foreign policy. While globalization is based on instrumental rationality, and instrumental rationality has been largely a tool used in globalization, critical rationality and emancipation have been considered in the foreign policy of the ninth/tenth government. The rationality that, above all, had pointed its critical arrow at the instrumental rationality, a conventional tool in the field of globalization, while in the globalization of the economy, the emphasis is on maximizing wealth and material power.

In this period, the basic principle in foreign policy is the logic based on justice, spirituality, and compassion, which was mostly focused on maximizing spiritual gain. On the other hand, one of the main issues in the expansion of economic globalization is the emergence of various literature on the manner and methods of development. Therefore, the usual economic and developmental extroversion was criticized in this government, and the effort to achieve the excellence of the country replaced the concept of economic development and extroversion. The ninth/tenth government, despite its criticisms of globalization, expanded its cooperation to increase economic interactions at the global level and sought to distinguish between the dimensions of economic globalization. In other words, in the field of economic and technological cooperation, this issue was taken into consideration, but in the political and security fields, the principle of resistance was adopted, and therefore systemic thinking and the expansion of diversity of views towards globalization and economic developments were predominant in this period.

The justice-seeking government considered one of its main goals in the international domain to be trying to reform the unjust structure of international economic organizations and economic institutions, and in return sought to provide solutions for world management. The existing rules and regulations in the field of globalization of the economy were questioned during this period. Finally, one of the factors in pursuing an aggressive foreign policy in this period was distrusting the international actors and assuming the international arena as being threatening. The government believed that in the international domain each government was holding a dagger and trying to strike the rivals. Distrusting the international arena dominated the ninth/tenth governments, and in Ahmadinejad's view, the threats of the international system can be reduced only through a return to monotheism and justice.

The difference and mismatch between logics of economic globalization and the logic governing foreign policy caused economic diplomacy to continue to be forgotten in this period. It was not possible to use this concept until there were mutual communication and interaction between the logic of foreign policy and the globalization of the economy. Of course, it seemed necessary for the government to create a new concept that could be used as a tool for a just, aggressive, and demanding foreign policy.

Regarding the position of economic diplomacy in foreign policy, as we will see in the figure, the economic diplomacy agent was not clear, and each of the economic ministries had separate programs, with the Ministry of Foreign Affairs acting as a separate island. This eventually led to the dissolution of the Economic Deputy of the Ministry of Foreign Affairs. Our diplomats in the field of economic activities in the foreign policy apparatus were holistic and task-oriented, pursuing economic, political, or security tasks according to the case. In this period, economic interactions continued at the bilateral level. which was the most common and oldest level of economic interactions, and how to deal with multilateral institutions such as the World Trade Organization, which symbolizes multilateral diplomacy, no consensus was reached between Ministries of Economic and the Ministry of Foreign Affairs regarding the methods of interaction.

Accordingly, economic diplomacy in this period faced three major challenges; First, expansion of confrontation and lack of compatibility between the domestic and international arenas. Diplomacy needs to expand interaction and create compatibility in the domestic and international domains, and the confrontation between these two areas makes economic diplomacy unable to exist. Second, the interpretation of privatization to increase the role of masses and people as distributive justice; In economic diplomacy, nongovernmental actors and non-governmental economic companies and institutions play a major role, but in this period, privatization was interpreted as increasing the role of masses, which had never been envisaged for economic diplomacy. The government still played a major role in the economy, and this prevented economic diplomacy from expanding. Third, the main priority in economic diplomacy is to adopt policies to achieve maximum material benefits and economic power in the international arena, and all behaviors need to be adjusted in the direction of economics, but in this period the main priority in the international arena was not economics but justice.



Figure2. Analysis of the internal logics governing foreign policy in comparison to internal logics of globalization

### Internal logic governing foreign policy:

- The pervasiveness of critical and emancipating rationality in foreign policy
- The governance of logic based on justice, spirituality, compassion
- Efforts to achieve excellence in the country replaced the concept of economic development and extraversion
- Lack of systemic thinking and spread of diversity of views on global developments and economic globalization
- Efforts to correct the unjust structure of the world and provide solutions for global management
- Distrusting the international actors and the assumption that the international arena is threatening

#### Challenges

- \* Justice-seeking logic in the international arena
- \* Increased confrontation in the domestic and international arena
- \* Interpretation of privatization as the increase in the role of masses and people as distributive justice



#### Levels and Performance:

In this period, mutual economic cooperation in line with political and justice-seeking thoughts continued in the international arena. Therefore, the commercial parties also mainly included countries of Latin America, Africa and Asia which are active regarding justice-seeking. Regarding the multi-lateral interactions, the main issue facing economic diplomacy is still the international trade organization; the responses related to commercial regime have been completed only by Iran and there is no long-term strategic plan for the type of interactions with this organization. Regarding the commercial interactions in the region, for example ECO, no economic plans such as ECOTA Plan has been operationalized yet.

#### Figure 3. The position of economic diplomacy in foreign policy

In this period, mutual economic cooperation in line with political and justice-seeking thoughts continued in the international arena. Therefore, the commercial parties also mainly included countries of Latin America, Africa, and Asia which are active regarding justice-seeking. Regarding the multi-lateral interactions, the main issue facing economic diplomacy is still the international trade organization; the responses related to the commercial regime have been completed only by Iran and there is no long-term strategic plan for the type of interactions with this organization. Regarding the commercial interactions in the region, for example, ECO, no economic plans such as ECOTA Plan have been operationalized yet.

#### 5. Foreign Direct Investment FDI

The most important indicator for assessing the efficiency and effectiveness of economic diplomacy is foreign direct investment. Strong economic diplomacy is needed to both attract foreign investment and to be able to provide better and more opportunities for the growth of its position by the inflow of capital. Foreign direct investment is a type of investment made by a citizen of a country (as an investor) to achieve long-term profits in a company (as a direct investment company) located in another country. Foreign direct investment is the transfer of public or private capital from one country to another to directly exploit it in economic activities, such that the foreign party has an effective role in managing the economic activity; at the company level, it means establishing a company or owning a foreign company while assuming managerial influence in the operations of that institution. The foreign investment includes three components: "equity capital", "income reinvestment" and "intercompany loans". In other words, a huge amount of foreign direct investment is done through mergers and ownerships or investment in construction projects (Firoozi and Babaghaderi, 2010, p. 8).

Long-term interests are more important than anything else. The free flow of capital has played an important role in providing the necessary conditions for globalization. Attracting foreign direct investment can have positive effects on the development of the host country with the inflow of these investments. In addition to attracting domestically stored financial capital, the investment can serve as a source of valuable technology, valuable experience, management skills, marketing, and presence in global markets that can further connect the local and domestic companies. It can even revive a country's economy (OECD, 2008, p. 17). According to research and recorded statistics and many studies conducted in various international institutions, the expansion and growth of foreign direct investment (FDI) has played an important and influential role in the globalization of the economy which has motivated developing countries to use it to achieve the necessary progress (Erkilek, 2003, p. 80).

FDI has become increasingly important as a source of investment and funding in developing countries, given the sharp decline in formal and other private investment and the wake of debt crises. The concept of liberalization of foreign direct investment (FDI) includes measures such as removing or reducing the barriers to foreign direct investment, easing regulations for most economic activities, relying on market forces in the domestic economy, and accepting FDI standards and rules. In this regard, the extent of reducing restrictions on attracting foreign investment, including restricted access to markets, the extent to which economic behavior is allowed beyond national law, stock restrictions, regulatory restrictions, restrictions on key individuals, and finally other restrictions such as territory, reciprocity, repatriation, etc. are very important (Blanka et al., 2010, p. 3).

Attracting foreign direct investment as an integral part of the international economic system is open and effective and is an important factor in achieving development. Developing countries, emerging economies, and countries with economies in transition have sought to increase foreign investment in their country incrementally and very extensively through effective economic diplomacy since it can be used as a source and engine of growth, and modernization of the economic environment. The overall effects of this are well documented for developing countries. Experiences and recorded statistics show that foreign investment facilitates the introduction

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of new and advanced technologies (Moosa, 2002, pp. 1-3), helps the new production processes, techniques, and management skills helps the new ideas and types of capital goods (Mooran, 1998, pp. 15-25), contributes to human capital information, facilitates the integration into the international economy, and helps the creation of a competitive domestic business environment. It also promotes the development of private enterprises and companies, which can be of great benefit in reducing poverty in poor and developing countries. Ultimately, this can improve the appropriate social and environmental conditions in the host country (OECD, 2002, p. 5).

Thus, in the new literature on foreign investment, the importance of technological and economic changes is highly considered by researchers. The growth rate of developing countries and their development in the new conditions depends more on the issue of which of these countries has been able to accept and implement new technologies in developed countries (Kumar et al., 1998, pp. 1-10). With the acceptance and introduction of these technologies and ideas, they may acquire levels of this technology. One of the important channels through which this can be done and new technologies can be acquired is through attracting foreign direct investment (Hermes & Lensink, 2003, p. 4).

An attempt has been made to show Iran's position in attracting foreign direct investment in comparison with similar countries. It can be observed in the following diagrams.



Diagram 1. The position of the Islamic Republic of Iran in attracting foreign direct investment among developing countries (in millions of dollars) http://unctadstat. unctad. org/Report Folders/report Folders. Aspx



Diagram 2. The position of the Islamic Republic of Iran in attracting foreign direct investment among some selected countries (by country) http://unctadstat. unctad. org/Report Folders/report Folders. Aspx

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Diagram 3. The position of the Islamic Republic of Iran in attracting foreign direct investment among some selected countries (by year) http://unctadstat. unctadoro Report Folders/report Folders. Aspx



Diagram 4. The position of the Islamic Republic of Iran in attracting foreign direct investment in the world

http://unctadstat. unctad. Org Report Folders/report Folders. aspx



Diagram 5. The position of the Islamic Republic of Iran in attracting foreign direct investment among the developing countries of Asia

http://unctadstat. unctad. org/Report Folders/report Folders. aspx



Diagram 6. The attraction of foreign direct investment by the Islamic Republic of Iran

The above diagrams properly illustrate the process of attracting foreign direct investment in Iran compared to selected countries. The above diagrams indicated that Iran has been trying to attract foreign direct investment since the time of Khatami and the beginning of the 21st century, and this trend has faced an increase in the following years, as

can be seen in the above columns. The growth rate of foreign direct investment in Iran can be felt when compared to other countries. Compared to countries in the region, Iran has attracted less investment than the UAE, India, Saudi Arabia, Turkey, and even Lebanon. The Islamic Republic of Iran, in proportion to its position and capacities and high economic power, has not been able to benefit from attracting foreign direct investment. The entrance of economic diplomacy into this field is felt greatly. It should be noted that one of the capacities of economic diplomacy is to provide and use the necessary diplomatic capacities to increase economic exchange and cooperation in both domestic and foreign fields. The above statistics indicated that economic diplomacy faces the challenge of confronting the domestic and foreign arenas. As long as there is the challenge of confronting the domestic and international arenas, the inflow of economic opportunities from abroad to the country will decrease. Reduction in these opportunities means a lack of effective economic diplomacy to provide economic and investment opportunities in Iran. Therefore, it seems that Iran's current position in foreign direct investment means the confrontation of the domestic environment with the foreign domain in foreign policy and its impact on the economic diplomacy position in foreign policy.

#### Conclusion

The economic considerations prevailed over political goals, both domestically and in foreign policy, in the ninth and tenth administrations compared to previous periods. However, the rise of some political issues- such as the nuclear issue- overshadowed the importance of economic issues.

Until the emergence of the ninth/tenth government, although economic issues were

considered as development plans, it never managed to practically enjoy a high position in foreign policy and was always sidelined by political considerations in the previous periods. Under such circumstances and due to confrontation with internal logics of globalization as well as the different identity governing the foreign policy of the Islamic Republic of Iran in these periods, large platforms were not provided for the presence and conduct of economic diplomacy and therefore the economy was not pursued as a strategic goal and necessity and strategic plan. Economic diplomacy in this period could not play a significant role and had a reactive performance due to the confrontation of logics governing foreign policy with the internal logic of globalization, influenced by an increase in the confrontation between the domestic and international arena, prioritizing political goals over economic objectives in the international domain and continuation of the role of government in the economy.

During this period, which is called the justice-oriented era due to returning to basic principles and values of the revolution, Iran's foreign policy underwent significant changes and developments despite remaining continual. In such a way that within the framework of basic principles and fixed foundations of the foreign policy of the Islamic Republic of Iran, its behavioral patterns were dramatically changed and the policy of looking to the East was considered and the diversity of Iran's foreign policy was shown in general; the Islamic Republic of Iran Followed the trend of returning to orientations of principles and foundations of the foreign policy in new forms and methods. In other words, the ideologies and logic governing the foreign policy of the ninth/tenth government was a kind of nostalgic return to the 1980s, the framework of which at the international

level is based on the critique of foundations, principles, assumptions, and logic governing the international arena.

Throughout the presidency of Ahmadinejad, the government sought to establish a political-economic relationship through a special attitude and reading. During this period, the government, with a revisionist view of the structure of the international system and with a kind of aggressive political literature, cast Iran into the list of security-threatening countries, and its nuclear diplomacy eventually led to international economic sanctions against Iran. This period is considered a failure of Iranian diplomacy and the abandonment of foreign investors.

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64

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