



International Journal of Political Science  
ISSN: 2228-6217  
Vol 11, No 3, Autumn 2021, (pp.21-39)

---

## Foreign Policy Performance Investigation of the Ninth/Tenth Iranian Government in Economic Development Context

---

Seyyed Abdolrahim Ahmadi<sup>1</sup>, Ahmad Saie<sup>2\*</sup>, Masoud Motalebi<sup>3</sup>

<sup>1</sup>Department of Political Science, South Tehran Branch, Islamic Azad University, Tehran, Iran

<sup>2\*</sup>Department of Political Science, Faculty Member of Tehran University, Tehran, Iran

<sup>3</sup>Department of Political Science, Central Tehran Branch, Islamic Azad University, Tehran, Iran

---

Received: 5 Aug 2021

;

Accepted: 18 Sep 2021

---

### Abstract:

The novel model of foreign policy adopted by the states in the globalization era is based on the effort and competition for achieving such goals as enhanced power and dignity. The realization of such goals is, however, dependent on the successful progress of the so-called economic plans. Economic development cannot be achieved unless the existing resources are appropriately utilized under the circumstances imposed by the surrounding environment. A primary requirement for this is to actively apply diplomacy to establish a development-oriented foreign policy. In the present article, an attempt was made to analyze the consequences of the foreign policy adopted by the ninth/tenth Iranian government in the context of the economic development in Iran. The findings indicated that the ninth/tenth government set the scene for the formation of an extensive global coalition against the Islamic Republic of Iran by adopting contending-aggressive foreign policies in the international arena based on ideological – security foundations. This has led to such complications as imposing an international sanction against Iran, the securitization of the state, the emergence of security threats against the regime, inaccessibility of the national resources on international premises, loss of opportunities and domestic resources, and intensified self-destructive phenomenon. The mentioned consequences have left the economic development engaged with fundamental challenges. This is descriptive-analytical research performed based on the firsthand library, documentary, and online references.

**Keywords:** Foreign Policy, Economic Development, Policymaking, Hegemonic System

---

\*Corresponding Author's Email: saie@ut.ac.ir

## Introduction

All types of activities done and emerged in a territorial or national environment are under the effect of international and global transformations. Hence, the interconnectivity between national and global premises is an undeniable factor affecting the quality of activities. In the current era of extraordinary advances in super-modern technologies that have led to a smaller, interconnected, and more compacted world, any kind of substantial political, economic, cultural, and social interaction might have extensive complications all around the world. This has highlighted the necessity to understand surrounding changes as well as the quality, type, and appropriate relationship with external or global environment mechanisms.

Therefore, every political unit must have an interaction with the global and international environment. The type and quality of political elites' rationality can affect the country's fate within the globalization era, which is known as the age of knowledge. Simon defines wisdom as a measure that helps humans in choosing goals and findings ways to achieve their goals. Therefore, states attempt in this era to take caution in making foreign policy and choosing de-escalation as the headline in the context of their foreign relations. Wisdom can facilitate access to amenities existing in the changing and anarchic premise when making a relationship with this premise ruling the system of international relations. This occurs because these amenities and facilities are considered the fundamental element and instinct of the process of achieving growth and development. Therefore, rational strategies besides the application of an efficient and experienced diplomacy system and de-escalation are requirements for growth and development.

## Statement of Problem

It is essential to adopt a de-escalation strategy and make smart interactions in foreign relations to achieve economic development, which is a major task of the foreign policy and diplomacy system. Fortunately, all upstream documents, such as Iran's Constitution, Twenty-Year Vision Document, and Development Plan of the Islamic Republic of Iran have reflected the necessity of the above-mentioned issues. Furthermore, the expressions and orientations of leaders, elites, and politicians of the Islamic Republic of Iran are full of issues related to foreign policies and economic development emphasizing "global interaction" and utilization of existing opportunities to solve the developmental challenges. Hence, realism and avoiding the contending approach are the best options used to achieve national interests and protect national security. Such a contending approach causes a loss of opportunity, time, amenities, and resources. Securitized dual domestic and foreign premises are factors needed for progressing objectives of economic development plans. Also, development can be achieved in the light of wise interaction with the modern system of the global economy, dynamic foreign policy, and an active, skilled, expert, and efficient diplomacy system. This procedure was followed exactly in an opposite direction in the foreign policy of the ninth/tenth Iranian government, which left many negative consequences. The main question of this research is why the government failed in achieving the developmental goals predicted in upstream documents despite the abundant opportunities and high oil incomes. This study assumes that some factors such as ideological attitudes of elites, application of confrontation strategy with the novel international system, poor diplomacy, lack of experience, and lack of familiarity

with the rule of the game governing the system of international relations caused many crises and challenges for rentier state. These challenges influenced policymaking and decision-making procedures and stopped the development process. Besides, many opportunities were lost. This paper aims at determining complications of foreign policy adopted by the ninth/tenth Iranian government in pursuing economic development by utilizing the development-oriented foreign policy approach. To avoid using repetitive words of ninth/tenth government, rival powers, and international systems, the terms "rentier state" and "hegemonic order" were replaced, respectively.

## Literature Review

### 1- Development-Oriented Foreign Policy

In the novel global system, foreign policies of countries are based on the strengthened economic cooperation to provide and protect national interests and security. To achieve the mentioned goals, most countries have adopted developmental foreign policies. The development-oriented foreign policy consists of two affirmatory and negative aspects. The affirmatory aspect includes understanding the objective facts existing in the novel international relations as well as determining strategies regarding the conditions and amenities available in the national arena based on the realism to secure national interests. The negative aspect of development-oriented foreign policy includes taking caution in choosing and adapting intelligent cooperation and interaction and avoiding hazards of this system. The nature of the development-oriented foreign policy is interactional, including a competition-cooperation-based give-and-take pattern with fewer tendencies toward confrontations and conflicts. Proactive introversion is another specification of development-

oriented foreign policy. Peaceful coexistence, détente (de-escalation), confidence-building, and multilateralism can be named principles of this policy (Dehghani FiroozAbadi, 2008, p. 366).

Other principles of the development-oriented foreign policy include the following rationality in foreign policy, diplomacy, and cooperation in global and regional arenas, respecting the rules accepted by other countries particularly the Constitution, not interfering with their domestic issues, having continuous collaboration with transnational and international institutions and organizations, and having intelligent interaction with mechanisms of the modern global economy. If the foreign policy is underpinned based on the abovementioned principles, not only developmental goals but also other national interests and objectives will be achieved. Peaceful coexistence is a kind of realistic policy based on collective action taken in relations between countries regarding mutual respect and understanding of logic. According to this logic, countries learn how to recognize the interests and rights of other countries while protecting their own identity and national interests. In this case, countries try to avoid political absolutism by defining their identities based on the common interests and hegemony not the conflicts with others (Dehghani FiroozAbadi, 2008, p. 367).

The development-oriented foreign policy has been built based on the fact that there are heterogeneous actors with different intellectual tendencies and worldviews in the foreign policy arena so that all of them act in the international arena in a way to achieve their own goals. This policy is also based on the acceptance of competition rules regarding the power, capabilities, resources, and advantages of the actors. Accordingly, the development-oriented foreign policy is subject to

creating an advantage and achieving power to play an active role in cooperation with other actors within the international cases to avoid global isolation. One of the functions of development-oriented foreign policy is providing the world public opinion with a positive image of the country because a bad image of the country in the international era might disturb or harden the development procedure. In this case, the country may face global isolation. Dark foreign relations with other countries will leave the country in an international and security isolation so that the international community will have a bad image of that country (Ghavam, 2010, p. 142).

Such problems may cause high costs for the country. In global isolation, the country is deprived of active cooperation in the international arena. Besides, there is no possible access to capacities and resources existing in the foreign environment (Dehghani FiroozAbadi, 2008, p. 392).

Lack of access to potentials available in the foreign environment will lead to deprivation of optimal utilization of advantages, resources, and capacities existing in the domestic environment (Gharib, 2011, p. 215). This has led to the loss of numerous opportunities as well as domestic resources. The development-oriented foreign policy provides the country with the ability not only to extract resources from the surrounding environment but also to benefit from resources existing in the domestic environment to achieve developmental goals. On the other hand, the development-oriented foreign policy ensures security and progress in both domestic and foreign cases.

Development and welfare are obtained only under the light of security in countries. Foreign policy is the outcome of domestic policy since countries act in favor of their people. The higher the welfare, prosperity,

comfort, ethics, civilization, and perfect future of the country's people, the better the reputation of that country in global, regional, and international arenas. The successful foreign policy can be assessed by the means of the social base of the policy (Sariolghalam, 2011, p. 56). The social base of the foreign policy depends on the success rate in creating foreign relations and extracting resources from the surrounding environment. Development-oriented foreign policy is defined as the only communication with the surrounding world that provides national interests. It is the only option used to make the country resistant to threats imposed by the globalization trend.

## 2- Foreign Policy

Foreign policy is defined as a strategy or action design adopted by the decision-makers of a state when interacting with other states and international units to achieve the considered goals (Haghighat, 2006, p. 20). The foreign policy includes the design, execution, and evaluation of decisions with exterritorial species in the viewpoint of the country that make such decisions (Kazemi, 1993, p. 42); it can be also defined as a set of national goals and interests in the international arena determined or implemented by states. Foreign policy can be done as an initiative or reaction to the actions done by other states (Moghtader, 1979, pp. 131-132). Moreover, the orientation chosen by a state or the attitude of a government toward the international community can be named foreign policy (Khoshvaghht, 1996, p. 145).

Foreign policy is a sophisticated, extensive, and profound category of social sciences that tenths or even hundreds of social, cultural, economic, political, historical, and technical factors in political units at different levels of the international system inter-

tere singly or mutually (Sariolghalam, 1993, p. 206). Therefore, different factors and variables may affect the enactment, adjustment, and direction of foreign policy; hence, it will be useful to find their interactions that affect the nature of policymaking in a country. Among the mentioned factors, national characteristics, political structure, socio-cultural texture, ideology, geographical situation, threats, and perceptions of politicians and decision-makers of quality and quantity of the mentioned factors and variables are the most fundamental ones (Kazemi, 1993, p. 44). Foreign policy has different and intense effects on domestic and foreign arenas.

### **3- Similarities and Differences between Domestic and Foreign Policies**

In terms of similarity, both domestic and foreign policies are made by states to achieve national interests and goals. Therefore, domestic and foreign attempts are done by states to maximize national interests, security, and stability. Legitimacy and acceptability levels in foreign environments are subjected to the domestic environment. Domestic and foreign environments affect each other; hence, governments try to obtain justified legitimacy and acceptability. Regarding the difference between these two policies, there are fundamental distinctions between foreign and domestic policies, which are pertained to sovereignty, power, and arenas. Sovereignty is the most prominent factor that distinguishes foreign and domestic policies. In terms of domestic policy, sovereignty or governance provides the possibility of domination and subordination; it also facilitates the execution of policies. In foreign policy, however, the country's dominance is limited by the sovereignty and power of other countries (Seifzadeh, 2009, p. 88).

In terms of power, states have some authority in the field of domestic policy, which cannot be used in foreign policies. Max Weber argues that the government has a legitimate right to use force (Weber, 1990, p. 254). However, this legitimate right is only usable against citizens of the country. Therefore, the government can enact some rules to create order and discipline in the domestic environment. The state also can apply the power and force to execute the enacted rules while such an option is not in the hand of states in external environments. The governments use such force based on the values, religion, culture, or ideology ruling the society and elites. They have abundant authority to adjust and set relations between citizens, and to establish discipline and security. However, the states have few or limited authorities in the foreign environment. In some cases, international rules and regulations might be imposed on the governments.

Since states are recognized as members of the international community, they have more freedom of action in applying power and force under their authorities (in theory or practice) in the domestic environment. However, the difference between domestic and foreign policies does not negate the connection between them they are interconnected despite their separate scopes. Domestic and foreign policies are highly and deeply linked so many researchers consider them as two sides of one coin. Hence, many factors affecting the national interests may cause undeniable barriers to any kind of foreign policy (Ghavam, 1996, p. 104).

Accordingly, foreign policy requires the interaction between domestic law and the international system. Undoubtedly, all states consider their national interests and values when making relations or signing contracts with other states. Therefore, states tend to

match their foreign policies with domestic policies made in the country (Hashemi, 2009, p. 389). The following part of the study reviews different types of attitudes toward the surrounding environment (international arena herein) and their complications.

#### **4- Types of Attitudes and Communicational Options Toward the Surrounding Environment**

Different types of elites' attitudes toward the global environment as well as their perception of the nature of the international system have led to the creation of various communicational options in the world. Every communicational option ensures a specific function and performance in society. Such attitudes will create various strategies, and various strategies will cause different complications. There are different perspectives and attitudes toward the nature of the global environment in international relations:

- A) Skeptical attitudes
- B) Pessimistic attitudes
- C) Optimistic attitudes
- D) Realistic attitudes (Gharib, 2011, pp. 301-312)

Such diversity in attitudes and perspectives toward the international system and global environment stems from the anarchism of the global and international arena. Each of the mentioned attitudes makes a politician make a specific strategy for foreign policy. These different attitudes toward the connection with the surrounding environment and actors existing in it cause various effects on the development process (Gharib, 2011, p. 315). The effects and implications of these attitudes have been mentioned herein.

##### **A) Skeptical attitudes**

This kind of attitude might cause isolation, close governmental economy, monopolies,

corruption, rent, poverty, and reduced social welfare.

##### **B) Pessimistic attitudes**

A pessimistic attitude toward the global environment will create a contending procedure in making relations with other countries. Contending procedures will cause financial-economic constraints, high pressures of ex-territorial commitments on the political and social structures as well as resources of the country, deprivation of foreign capital attraction, loss of opportunities, time, amenities, and resources. The mentioned complication causes backwardness.

##### **C) Optimistic attitudes**

Optimistic attitudes lead to country integration with the international system. Such integration may cause a loss of authority, national identity, surrounding the global powers, and international powerbrokers. This attitude may lead to economic, political, cultural, and military dependence.

##### **D) Realistic attitudes**

Realistic attitudes have some consequences such as active cooperation, utilizing environmental opportunities, using capacities and capabilities given by internal and external environment, increasing national interests, protecting the national security, preventing the devastation of national culture, individual corruption, growth and development in many fields due to improved domestic and foreign capabilities and capacities. Different theories about the anarchist nature of the global environment proposed by Thomas Hobbes, Immanuel Kant, and John Locke have led to the formation of pessimistic, optimistic, and realistic attitudes toward the global environment (Gharib, 2011, pp. 301-314). Countries try to choose from mentioned options considering

some factors such as geographical position, resources, cultural, economic, and political conditions, strategic dignities, advantages existing in the domestic environment, and political culture ruling the elites' thoughts. Countries will achieve different consequences by adopting each of the mentioned options (Gharib, 2011, p. 318). Other factors are affecting the advance of foreign policy besides the different types of attitudes toward the surrounding environment.

### **5- Factors Affecting the Advance of Foreign Policy**

Economic discipline is converting from the central status of a world-oriented economy to a multilateral global economy. Also, the political-security order of the world is changing from the current unipolar mode to the upcoming unipolar-multilateral. Such economic and security disciplines enable the regional powers to play a regional multilateral role in the world. In this case, they can perform as an economic development hob. To play such a role, countries must have acceptable political-security relations with other countries. Otherwise, the regional order cannot be formed due to political-security heterogeneity or might be formed based on a power that can meet the mentioned conditions.

Historically, Iran has not had such conditions to play a powerful role in the innovative management of external procedures. Such a situation has limited Iran's right to choose between two options of rejection/acceptance, friend/enemy, black/white, war/peace, and so forth. Foreign policy must be a resilient scope; however, there should be a difference between passive resilience and creative initiative. It should be noted that resilience or flexibility does not essentially mean passivity, surrender, or acceptance of others' ideas, but it can be done actively within a creative initiative.

On the other hand, confrontation or challenging behaviors in the international system mean entrance to a strategic competition in which the payoff or zero-sum games' logic should be admitted. Although one of the possible results of this game is a definite victory, another result might be a definite defeat (Dehghani Firoozabadi, 2008, p. 417). Competition in such an atmosphere is different from the competition in an interactional and internal environment. Interactional policies can be made based on the ability to generate alternatives and supporting options to mobilize strategic resources for the expansion of vital and national interests of the country. This case might be hazardous even for countries with rich domestic resources. Contending foreign policy may create conditions, which cause emergency and critical situations in foreign relations (Strategy Document, 2013, p. 442).

Foreign policy may be impressed by other scopes and arenas and can influence the other scopes such as development strategies and policies. However, many factors have a considerable impact on the foreign policy of any political system. The factors that can change the way of such policies include potential and actual amenities and resources such as land area, population rate, military and defense power, unique geopolitical and geoeconomics situations, values, beliefs, opinions, and ideologies ruling the political system. Considering the role of foreign policy in determining domestic strategies, the development process, in turn, is influenced by different factors.

### **6- Requirements and Factors Affecting the Economic Development**

Development is an arena in which general objectives and movement of society are defined to achieve a desirable society. General-

ly, development means a complex and multi-lateral evolutionary process occurring in the social, economic, political, and cultural life of a society directing it from backwardness (current situation) to development (desired situation). Development is highly affected by the foreign policy (Diyanat & Nejatpour, 2017, p. 139). Economic development is a part of the development process that its achievement depends on specific presumptions and conditions. Moreover, various internal and external factors affect the advance in economic development.

### **6-1- Internal Requirements and Factors Affecting the Economic Development**

Economic development and progress need some requirements in different communities. National unity and social-political empathy are the most requirements for economic development. Therefore, political competitions must expand political stability. The more strengthened the political stability and national unity, the higher the level of economic development. Improved investment and business atmosphere are realized by strengthening mutual trust and solidarity between all political groups. Experts believe that coalition and convergence regarding national interests create synergy and accelerate the associated measures.

On the contrary, divergence and tendency toward a party-oriented, group, and personal interest lead to self-centeredness and weaken the national economy (Interview, 2019). Some of the internal requirements and factors that affect the economic development are as follows: avoiding monopolies, centralized planning, and governmental economy; specific attention to and paving the way for the private sector; transparency and free information flow; efficient civil community including parties, associations, unions, groups, and me-

dia; political freedoms; facilitating rules; avoiding impossible ambitions and enacting development plans based on rationality, abilities, amenities, and resources existing in the country; creating political and economic security; preventing brain drain and capital lost; national wealth accumulation.

### **6-2- External Requirements and Factors Affecting the Economic Development**

One of the prerequisites for economic development is making appropriate policies on environmental evolutions to utilize environmental opportunities in solving developmental challenges and expanding national power and capabilities. Political elites of every community must have a clear and realistic attitude toward the surrounding environment (Gharib, 2011, p. 300).

Investment attraction depends on advanced technologies, rational policies on external changes, and providing a suitable field for intelligent interaction with the international environment. There is an available way to the modern system of the world economy by following an efficient foreign policy and de-escalation and by making a wise interaction with this system. By doing this, various cooperative products will be produced and a large share of the global economy will be achieved (Gharib, 2011, p. 305). If there is a constructive interaction with the surrounding environment, then experiences, capital, and capital products will enter the national economy. In this case, economic development is achieved. Such achievement depends on development-oriented foreign policy under the light of common principles of development.

### **7- Economic Development in the Era of Globalization**

The world has experienced a new arena with an instant reduction in geographical distances



and increasing integrated economic, social, and political systems due to technological evolutions in the past half-century. Such evolutions have changed the rapid growth of production and consumption. This has brought fundamental changes in political and economic management. In today's world, any country that looks for economic-social development outside of the global economy network in opposite to the fundamental principles of this network will fail definitely (Zamani, 2005, pp. 8-17). Therefore, countries have to follow the options needed for sustainable economic development. Economic globalization has linked the countries, especially economic powerbrokers so that any fluctuation in one country spreads rapidly overseas. This phenomenon has removed many trade barriers and has paved the way for the rapid transfer of capital, human resources, and technologies. Under such circumstances, countries can cooperate to use shared capacities to maximize their interests. Hence, capacities and interest maximization cannot be ignored in today's interconnected world. In the opinion of experts, development is a universal issue depending on shared human scientific, technical, and intellectual capital inside and outside of national territories. Interactional attitudes and performances help countries to benefit from their experiences and potential. Countries with considerable growth have extensive international relations in different political, economic, scientific, and other arenas (Sariolghalam, 2009, p. 304).

In the contemporary world, economies are linked and products are manufactured by countries collaboratively. All countries need each other to meet their primary resources, especially in the case of the energy and consumption market. This is because the production of goods and services has become an

advantage-based and specialized process. This fact indicates that a lack of economic interaction will separate the country from scientific and specialized progress. De-escalation and détente as well as avoiding contending approaches to foreign relations can be named the best options that should be used to achieve economic growth and development in the era of globalization.

### **8- Foreign Policy of the Islamic Republic of Iran**

Like other scopes, the foreign policy of Iran was also affected by the teachings and goals of revolutionary elites after the Islamic revolution in this country. The approved Constitution contained principles with a new nature regarding foreign policy. The mentioned principles were revised and followed in different forms in upstream documents by different governments while their early nature of them was kept. Principles of foreign policy in Iran include exporting revolution, the negation of dominance, supporting the unity of Islamic communities, mutual respect and no interference with domestic affairs of other countries, denial of suppression and supporting the oppressed, the policy of neither East nor West, supporting freedom movements, unity of Islam world, Islam-based relations and human ethics (Salehzadeh, 2013, p. 19). Fundamental rules of the foreign policy of the Islamic Republic of Iran have been explained in the Constitution and expressions of leaders and elites of the political system. Islamism is the main distinctive aspect of foreign policy in Iran. The major negotiation of Islamism is the expansion and keeping of Islamic values and ideals including the protection of the Islamic Republic of Iran (Eivazi, 2008, p. 55).

### 9- Development Process of the Islamic Republic of Iran

The Islamic Republic of Iran has experienced various changes and developments within the three past decades. The foreign policy of the Islamic Republic of Iran has shown different behaviors even regarding fundamental principles. On the other hand, some behaviors have been shown constantly by Iran despite the changes that occurred in domestic and international arenas (Dehghani Firoozabadi, 2008, p. 417).

The most substantial reason for the foreign policy of Iran within perpetual conflicts is looking for and meeting ontological security. It means that the Islamic Republic of Iran is more concerned about its identity as an Islamic state within the foreign policy; so, ontological security means that the continuation of Islamic identity should be preferred (Dehghani Firoozabadi, 2012, p. 66). Iranian community entered into the modern ages while it was not possible to continue the revolution without its cultural richness based on the occurring domestic and international components.

All of the changes at the international level made it necessary to change the vision and attitude of the decision-making system of Iran in interaction with the surrounding world. The mentioned changes included technological ones, such as communicational transformations and advanced media; political changes, such as the end of the cold war, changing negotiation ruling the international relations, and conversion of the bipolar system into a modern system in the world; economic developments such as the deepened gap between northern and southern countries, and globalization phenomena of economy; cultural and social changes such as globalization, democracy, and specific negotiations after the cold war (Jafari Valadani, 2006, p.

223). In particular, the abovementioned developments have occurred along with a set of social changes and demands inside of Iran that has doubled the necessity for changing the foreign policy. Considering these developments, the most substantial challenges for Iran's diplomacy, including greater effects of global changes on the society, low level of accountability and ability to generate intellectual and cultural products at the domestic level on the one hand, and tensions, disagreements, political-economic harms at regional and international levels, on the other hand, have provided the field for novel orientations in foreign policy. These orientations are so-called de-escalation policies and the improvement of international relations (Bashiriyeh, 2001, p. 110).

The foreign policy of Iran was highly affected by the adoption of a de-escalation policy and emphasis on the expansion of transactions and relations with other political actors on different scales. In other words, since states, foreign governmental and non-governmental actors, and international communities welcomed the novel method and tone of Iran in foreign relations, the level of relationships between Iran and other countries was improved in different cases. However, this prospect had many outcomes since it was implemented with the government's attempts to repay the foreign debts and respect the rules governing international relations (Foreign Policy of Islamic Republic of Iran, 2001, p. 20).

Such novel negotiation led to the attraction of foreign investment in form of finance during the age of construction government, projection of many infrastructural plans, restoration of damages caused by imposed war, ending of large projects and achieving considerable success stories in economic development. The foreign policy of the Islamic

Republic after the presidential election in 1997 followed a détente policy to end the past misunderstandings, resolve all international conflicts, and achieve national security regarding the international realities. It means that timely foreign policy requires a planned and novel interaction with the international system and its actors (Azghandi, 1999, pp. 1044-1045). The significant point herein is the concept of the regional and international situation of the country regarding economic, political, and civil scales. If the interaction option is chosen intellectually, then a specific behavioral framework and dialogue will be available to meet national interests and goals. Under such circumstances, decision-making power and mainstreams will be superior options. In other words, expansion and screening of national interests and goals can be done through intelligent decisions made based on the transformations and complicated relations in the current era. Such a goal that be achieved based on a correct understanding and realistic evaluation of national, regional, and international procedures as well as their mutual interactions that require an appropriate strategy for foreign policy. It can be stated that the fundamental goal of the transformation of the regional position of the Islamic Republic of Iran depends on various bottlenecks and opportunities (Vaezi, 2007, pp. 49-53).

#### **10- Foreign Policy of Rentier State (ninth/tenth government)**

Religious-influenced cognitions, including bipolar perspective toward phenomena of the universe also known as dualism, are prominent characteristics of the ninth/tenth government (Haddad, 2008, p. 86).

Accordingly, this government had ideological and contending behaviors, particularly in the international arena (Gasiorowski, 2007,

pp. 125-130). Hence, some consider the foreign policies of this government like policies made during the cold war (Mohammadi, 2003, p. 53). The general foreign policy of the rentier state indicates a contending orientation toward all cases, which is built based on the Hobbesian international system (Dehghani Firoozabadi, 2009, p. 116). This phenomenon stems from the nature of governments because of the mutual association between them (Solingen, 2002, pp. 105-148).

In this case, some measures can be mentioned, such as the promotion of Pan-Islamism in the Middle East, the creation of an oil alliance between oil-exporting countries particularly middle east countries, changing state's policies on Iran's nuclear deal, state's position as a claimant, not an accused, expression of Iran's concern about human rights violation against the minority in Europe, and holocaust denial (Ehteshami & Vaziri, 2007, p. 99). The rentier state adopted the contending policy due to several reasons, including facilitating authority stabilizing in Iran, drawing the attention of people to foreign threats instead of deteriorating the domestic economy (this action is also called psychological projection) (Ansari, 2007, p. 40; Farzanegan, 2009, p. 4), strengthening the social status of the government, facilitating the departure of foreign investors from Iran (Kalateh Seifari, 2012).

#### **11- The Most Significant Behavioral Components of Rentier State in the Context of Foreign Policy**

##### **11-1- East-South-Oriented Policy**

There have been two ideological and geographical tendencies regarding the East-oriented foreign policy of the Islamic Republic of Iran. The first one is a value approach to East-oriented policy and the second one is a pragmatic geographical tendency toward

East-oriented policy (Fateminia, 2009, p. 65). The east-oriented policy mentioned herein is about the first attitude. In this case, the government of Ahmadinejad made close economic and political relationships between Iran and China, Russia, India, Venezuela, and Pakistan and signed many economic contracts with China. South-oriented policies were made in two forms focusing on South American countries and Africa (East Yearbook, 2005, p. 69).

It can be stated that the foreign policy of this fundamentalist government was derived from the demands of lower strata so the policies were made based on the west-resistance perspectives believed in the early years of revolution (Haji Yousefi, 2010, p. 124). Accordingly, the foreign policy views of the ninth government were based on the perspective of the early revolution. Although the government of Ahmadinejad emphasized the radical mottos, Iran was looking for allies and defining its national interests in line with the interests of its ideologically allied countries contrary to the first 10-year period of revolution in Iran (Rezaei, 2008, p. 222).

Therefore, the political structure of this fundamentalist government was based on populist traits with an unrealistic approach to domestic and foreign policies. The populist nature of such a structure dominated all foundations of the government (Rezaei, 2008, p. 225). Ahmadinejad had an ideological approach to changing international relations in the world; he tried to encourage people around the world to change the structure of the international system. He wrote letters with idealism subject to presidents of the USA, France, and the Chancellor of Germany and received no response. In other words, the ninth government made an attempt to establish a global fair system through the revival

of Islamic civilization based on its ideology (Sahraian, 2010, P. 123).

Ahmadinejad tries to change current relations and the structure of international relationships by introducing justice promotion, compassion, and excellence of human communities as effective factors that can be used to overcome challenges in international relations. He asks to design and implement all foreign policies and diplomacy models based on the abovementioned principles (IRNA, 2006). The foreign policy of the Islamic Republic of Iran was similar to the policies made in the early years of the Islamic revolution during the presidency of Mahmoud Ahmadinejad. The domination of fundamentalist idealism dialogue over the foreign policy of the Islamic Republic of Iran stems from various domestic and international factors, such as Iran's nuclear case, high international pressures on this issue, and numerous inspections of active nuclear processing centers in Iran by Agency representatives.

Hence, Ahmadinejad criticized withdrawals and the policy of appeasement made by Khatami in his speeches. He insisted on the nuclear rights of Iran. Accordingly, all voluntary nuclear cooperative cases with international institutes were suspended during the fundamentalist idealism period of Ahmadinejad. Such insistence on nuclear rights and prevention of so-called excessive ransom demanded by Western countries caused sanctions imposed by six UN Security Council resolutions. Before his electoral victory, in the context of foreign policy and relations with neighbors, Ahmadinejad used to state that the foreign policy of Iran must be moderated to prevent foreign threats against the country. There are good relationships between Iran and the majority of counties but some challenges exist. Some negative opinions and jealousies prevent us. We should

have a positive interaction in the realm of foreign policy. Iran has great relations with neighboring countries and these relations must become better (Hashemi Tabar, 2005, p. 33).

For instance, the government of Ahmadinejad assumed that relations between Iran and the Middle East state, especially Arabic countries of the Persian Gulf must be developed. President Ahmadinejad wanted to develop collaboration with these states. During the first two years of his presidency, Ahmadinejad visited Saudi Arabia four times. He was also the first president who visited Saudi Arabia in 2007 (Haji Yousefi, 2008, p. 210).

The government of Ahmadinejad tended to design a role model of the Islamic Republic of Iran for the Middle East and Third World countries in the context of foreign policy. In this regard, the fundamentalist government tries to export the Islamic Revolution through modeling the Islamic Republic and introducing this model to the world, particularly Muslims and the oppressed. Ahmadinejad explains this model clearly, "Iran has a heavy responsibility; the first responsibility is the development of Iran. The message of ideas of a revolution will be accepted if the message is conveyed through practical models. Hence, it is our responsibility to guide people all around the world and show them perfection and good life. We must create a model of such a life in the Islamic community. The second mission is the introduction of the Islamic Revolution to the world. We ought to implement this model and introduce it to those who seek such a lifestyle." In his opinion, "the main goal of Islamic Revolution is building a mediator community based on justice, dignity, and self-esteem, which are the benchmark of a reference community." (Dehghani Firoozabadi, Radfar, 2010, p. 131).

### **11-2- Contending-Aggressive Foreign Policy of Rentier State**

The head of the rentier state criticized the current status of the international system introducing it as an inappropriate system. He claimed that the Islamic Republic tends to change such an inappropriate system. He expressed in his speeches that the Islamic Republic of Iran will not forget its revolutionary values and will react to the plans of the East and West. In other words, he revived the foreign policy of hostility to East and West. The "neither East nor West" slogan, however, was followed in another form. Data indicate that east orientation was the priority of foreign policies made by his governments. The mentioned priority shows the difference between the foreign policy made by Ahmadinejad and other policies made by previous presidents (reformists and pragmatists) (Ehteshami & Vaziri, 2007, p. 139). In that era, elements of the foreign policy of Ahmadinejad were as follows:

- A) Ignoring international organizations
- B) The policy of hostility to the Zionist Regime
- C) Criticizing the interventionist policies made by western powers
- D) Criticizing formalities pertained to nuclear weapons
- E) Criticizing the relations between southern and northern countries (Molana & Mohammadi, 2009).

Ahmadinejad believed that international organizations serve as measures used by the USA and the Former Soviet Union during the Cold War and the dissolution of the latter had no change like the international system. He assumed that these organizations are abused by the USA in favor of American interests. The Un Security Coun-

cil was at the center of these critics since only a few states members of this council had veto rights. The interventionism of powerbrokers was another context of his speeches. He believed that national interests are not acceptable justifications for the interventionism of the West. Ahmadinejad criticized the human rights-centered policies of western countries owing to their selective and discriminatory natures. He believed that human right is a measure used by the USA to impose pressure on its opponents. He expressed that powerbrokers do not care about human dignity and decide about the fate of different regions in the world in favor of Israel's interests (Ahmadinejad, 2005).

He continues, "Iran does not cease the nuclear plan and no unfair formality can limit these programs." (Ahmadinejad, 2009) He believes that the Security Council is under the influence of main powers, particularly the USA; this council makes wrong decisions and Iran does not accept such decisions. Ahmadinejad argues that the USA and some European countries try to destabilize Iran since Iran does not recognize the unipolar and unfair international system (Ahmadinejad, 2009). Ahmadinejad took this contending stand against western countries. He criticized foreign policies made by previous presidents of Iran expressing that considerable changes must occur in relations between poor and rich countries regarding the favor of all nations. Accordingly, he attempted to make an active foreign policy to expand relations with mentioned countries and nations so that many experts called his foreign policy the policy of "Third Worldism." (Arghavani, Pirsalami, 2013, pp. 85-91) The mentioned factors implied the return of revolutionary and ideological benchmarks in the foreign policy of Iran.

## **12- Consequences of Contending Foreign Policy of Rentier State**

- 1- International consensus led by the US against the Islamic Republic of Iran
- 2- Six resolutions issued by the Security Council
- 3- Imposing extensive international sanctions against Iran

## **13- Negative Effects and Complications of Sanctions Against Iran's Economy**

### **13-1- Effect of Sanctions on the Economy and Industry**

Sanctions left Iran's economy with multiple complications. First, sanctions intensified economic uncertainty. No one knew what was supposed to occur regarding the exchange currency fluctuations. It was not possible to forecast future status; hence, the investment process was stopped completely (Sarzaim, 2016, p. 284). Economic uncertainty was doubled because of the unpredictable personality of the president and the sudden decisions made by him. The private sector was marginalized and served as a contractor without any independent export orientation.

Private sectors could not afford to demand goods and services produced by the government due to sanctions, which led to a reduction in oil revenues, resources, and the government's budget. Reduced government demand for goods and services left the private sector in a condition in which there was not any governmental demand; hence, the demand-side recession was imposed on the economy. Monetary and trade policies made by the governments of Khatami and Ahmadinejad had led to the high dependence of Iran's economy on imports. Accordingly, the production sector in general and the industry sector, in particular, got used to imports of

production inputs from overseas. In this case, production became dependent on imports. Increasing currency rates and limited Iran's economy were affected by severe sanctions that made the imports of production inputs a problematic case. Under such circumstances, the supply side faced an unexpected shock, and a declining supply-caused recession occurred in the economy. The direct effect of this problem included production decline and a higher inflation rate, which is called stagflation (Sarzaim, 2016, p. 285).

The weak production process of capital equipment in Iran has left foreign trade a problem. This issue has caused many adverse effects on the oil industry and other large industries. The first and most destructive effect of sanctions on Iran's economy was related to this case. Lack of capital amenities is a critical issue in the oil industry and heavy industries of Iran that need high investment rates. Capital amenities play a vital role in capital accumulation. Considering the critical role of capital equipment and products in the development of strategic industries of Iran, sanctions caused a decline in currency supply and an increase in currency price.

Therefore, the import of capital equipment and products became difficult and expensive. Inappropriate economic space led to exclusion of foreign investors. Subsequently, investment was decreased severely. Many foreign large companies that used to invest in the oil sector, petrochemical, telecommunication, railway, subway, and other mother industries, such as the car industry terminated their contracts and accelerated the process of investment exclusion from Iran's economy. This issue not only reduced production but also increased the unemployment rate. The second impact of sanctions led to barriers to input imports. Since the majority of domestic industries are highly dependent on the import

inputs, sanctions caused the smuggling of these inputs.

Domestic industries were severely damaged owing to the increased price of imported inputs and scarcity of these inputs so about half of these industries became bankrupt or had to make a mandatory stop in the manufacturing process. The third effect of sanctions was to increase currency prices and reduce national currency value. Liquidity was excluded from the bank system and entered the financial markets due to the effect of the currency shock imposed on the economy. This shock harmed the stock market, Real Estate, car market, gold, and currency market. This complication caused the exclusion of productive economic activities from the optimum process toward the false markets, such as brokerage, buying and selling currency, coins, gold, real estate, car, etc. This problem led to an intense reduction in national currency value as well as a severe rise in the inflation rate. Other consequences of international sanctions might be increased inflation and stagnation, reduced economic growth rate, decreased export, increased corruption, and rent-seeking.

#### **14- Sanctions and Intensified Self-Destructive Phenomenon in Iran's Economy**

Besides the abovementioned points, it should be also noted that the "internal self-destructive phenomenon" is one of the main traits of Iran's economy and a reason for the lack of economic development in this country. This factor consists of brain drain and a high rate of immigration of skilled and experienced workforce and human capital. This rate in Iran is considerably greater than the global rate. Furthermore, some other consequences of sanctions are capital flight or capital transfer to foreign countries by do-

mestic investors. Meanwhile, production is non-productive, and inefficient large economic firms that use out-of-work technologies and infrastructures have led to the loss of energy, time, and capital. Uncontrolled goods smuggling, large-scale corruption, and embezzlement, irregular import-to-export ratio, destroyed domestic industries, and the increased unemployment rate can be named as other consequences of internal self-destructive in Iran's economy and barriers to economic development. According to statistics published by governmental institutes, international sanctions in the studied era accelerated the self-destructive phenomenon.

### **15- Structural Challenges to Economic Development of Iran**

The oil-dependent economy of Iran created a rentier state. Although self-sufficiency and reform of the oil economy were set to be achieved, such an economic structure continued after the revolution. The rentier state is not capable of progressing economic development plans because of various reasons, such as global oil ups and downs and its effect on the short-term and long-term development plans. With a considerable share of Gross Domestic Production (GDP), oil plays a vital role in the national economy of Iran. Since the global oil market is not under the authority of the rentier state but is under the control of large oil cartels, this market is always fluctuating. Hence, an increase or decline in global oil prices causes fluctuations in Iran's economy because of the oil revenue-dependent budget, which is adjusted based on the incomes obtained from oil sales.

A decline in oil revenues leads to a budget deficit. In this case, the government reduces the budgets allocated to civil projects and limits the infrastructural ser-

vices. This situation negatively affects economic growth in the long term. In short term, the investment demand of the public sector is reduced. Since the consumption expenses of governments make up a part of the demand, total costs will be decreased. The economy faces a recession in this situation. A gradual rise in recession leaves the budget with constraints. It means that budget-to-GDP is reduced, aggregate demand is stopped, and capital accumulation in the public sector is disturbed. The budget deficit depends on the finance regarding its negative effects on the macroeconomic. Technological reliance on Iran's industry and technology burnout can be named as challenges to the industrial development of Iran that directly affects economic development. The infrastructural and technological backwardness of industries in Iran has led to high energy consumption and energy loss. The government has allocated a high rate of subsidies to energy without any economic justification and efficiency. Such allocation has wasted the intergeneration capitals.

Therefore, Iran's economy and industries are the most energy-consuming sectors in the world. Granted subsidies to industries and industrial products by the government have wasted the national resources and have exported free energy to other countries. There have been always high or low inflation rates in the rentier economy of Iran; the inflation rate is negative leverage in the economy. Inflation has been an inseparable part of Iran's economy. This phenomenon has led to weak power of purchase, high pressure on the poor, a disorder in the budgeting system, a decline in national currency value compared to foreign currency rate, the disempowerment of domestic industries and productions compared to foreign products, destruction of na-



tional production, exclusion of investors, the emergence of security threats and social disorders, and increase in government's responsibilities.

Other challenges include the big size of the government and increased bureaucratic volume, which cause expansion of decision-making and policy-making bodies. The mentioned challenges have led to the inefficiency of government agility, disturbance in the goal-setting process, and implementation of economic development plans. A high number of mentioned bodies causes declined risk-taking in economic policymaking, increased costs, and lost time, opportunity, amenities, and resources. The Rentier economy of Iran is characterized by high military budgets and corruption, low growth rate, high current and per capital budgets, lack of projection of taxation policies, promotion of rent-seeking among people, and the primacy of personal interests over collective ones, and low social capital.

### **Conclusion**

Foreign policy is the focus of communications and interactions with the external space. Long-term objectives can be achieved by interacting with the surrounding environment. A new version of foreign policy called development-oriented policy has emerged in the age of globalization. Foreign policy includes an intelligent and wise interaction with the external environment. Due to extensive modern communicational technologies and rapid information exchange in the era of globalization, this era is full of opportunities and hazards. It is necessary to adopt a development-oriented foreign policy to minimize hazards and risks, overcome challenges, and utilize opportunities in this turbulent environment. Foreign relations should be made based on rational and détente-centered communication

with the surrounding world. The experiences of others should be adopted regarding the role of foreign policy in progressing goals of economic development. The manufacturing process of products and services has changed in the age of globalization. Production is done within a collaborative method and countries have entered into a new arena of economic order, which is known as the New International Economic Order (NIEO).

Countries must make novel foreign policies when entering this system. De-escalation or détente of foreign relations is one of the main key factors for economic development. by making such a policy, states can not only utilize domestic resources but also can benefit from resources provided by the external environment. In this case, they will obtain economic development. besides developed countries, developing countries are also trying to join this system to use their advantages. Iran has also adopted a specific type of foreign policy and constructive interaction based on the foreign policy rules contained in Constitutions and Upstream documents.

However, it seems that the rentier state violated many of the mentioned rules and adopted ideological foreign policies, which differed from policies made by previous states. Ideological attitude made the international system show a negative reaction to the performance and perspective of the rentier state. Aggressive interaction with the international system imposed high costs on Iran's economy. Severe international sanctions against Iran pushed the economy to the brink of collapse. Sanctions were such severe that left the production centers and large economic firms with many challenges. Sanctions intensified the self-destructive phenomenon in Iran.

Rentier state adopted an East-oriented policy to get rid of sanctions. This policy

paved the way for uncontrolled goods import, created job opportunities for workers of Southeast Asian countries (Chinese workers), harmed domestic industries, and destroyed opportunities, amenities, and resources. Sanctions bypass intensified the goods and currency smuggling. The hostile policy adopted by the rentier state led to Iran-phobia and showed a security face of the Islamic regime. This phenomenon caused brain drain and capital flight besides the propaganda spread by western countries against Iran. This phenomenon also destroyed the elite's trust and made them immigrate to western countries. These human capital and financial sources could play a vital role in the development process of Iran.

### References

- Alam, Abdolrahman, (1996). Foundations of politics, Tehran: Ney Publications
- Ashouri, Dariush, (2004). An encyclopedia of politics, Tehran: Morvarid Publications
- Dehghani FiroozAbadi, Seyed Jalal, (2008). Necessities and functions of diplomacy in development-oriented foreign policy, Develop-Oriented Foreign Policy Book, Center for Strategic Research
- Dehghani Firoozabadi, Seyed Jalal, (2011). "Ontological Security in the Foreign Policy of the Islamic Republic of Iran," Tehran: Strategic Research Institute
- Dehghani Firoozabadi, Seyed Jalal, (2012). The foreign policy of the Islamic Republic of Iran, Tehran: Samt Publications, Fourth Edition
- Ehteshami, Anushirvan, (2002). After Khomeini, London: Tailor & Francis e-Libr1
- Ghavam, Seyed Abdul Ali, (1996). Principles of foreign policy and international policy, Tehran: Samt Publications
- Haghighat, Seyed Sadegh, (2006). Principles, regulations, and objectives of the foreign policy adopted by Islamic State, Qom: Research Institute of Islamic Sciences and Culture
- Hashemi, Seyed Mohamad, (1999). Constitutional rights of the Islamic Republic of Iran (Volume 1), Tehran: Dadgostar Publications
- Kalateh Seifari, Farzad, (2012). Comparative study of the political economy of Governments of Hashemi Rafsanjani and Ahmadinejad, MA Thesis in Political Science, Faculty of Administrative and Economic Sciences, University of Isfahan
- Kazemi, Ali Asghar, (1993). International relations in theory and practice, Tehran: Qoms Publications.
- Khoshvaght, Mohamad Hosein, (1996). Decision analysis in foreign policy, First Edition, Tehran: Ministry of Foreign Affairs.
- Moghtader, Houshang, (1979). Discussions on international and foreign policy, Tehran: Faculty of Political and Social Sciences Publications
- Quarterly Journal of the Ministry of Commerce (May 2014). Foreign policy strategy to promote the economic status of the Islamic Republic of Iran in the new international conditions, Tehran: Tehran Chamber of Commerce, Industries, Mines and Agriculture Publications Unit, Project No. 33.
- Salehzadeh, Hosein, (2013). Iran's Domestic and Foreign Policies, Strategian Iaitos, National Defense University, Department of Strategic and Defense

- Studies, Series 4: Working Papers Issue 49. P 2ary.132
- Sariolghalam, Mahmood, (1993). Rationality and development, Tehran: Safir Publications
- Sariolghalam, Mahmood, (2011). The concept of power and foreign policy performance, China-Iran comparison, Journal of Foreign Relations, Vol. III, Issue 1.
- Sarzaim, Ali, (2016). Iranian populism, Analysis of the quality of Mahmoud Ahmadinejad's rule of law from the perspective of economics and political relations, Fourth Edition, Tehran: Kargadan Publications
- Tolouei, Mahmood, (1998). Comprehensive political encyclopedia, Tehran: Science Publications
- Zamani, Hadi, (2005). Iran, opportunities, and challenges of globalization, Tehran: Bal Publications