



## Research Article

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## Us-Iran Rivalry and Its Impact on Middle Eastern Peace

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**Abstract:** A critical analysis of Iranian geo-politics is a thorough examination of the challenging and long-standing rivalry between the United States and Iran, with a particular emphasis on its serious implications for the Middle East. It explores Iran's geographical and political significance, focusing on its strategic role as a crossroads between the Middle East and Central Asia. It focuses on the United States involvement in Iranian political problems throughout a period of time as well as how the Iranian Revolution altered the dynamic between the two countries. It also analyzes the strategic approaches employed by both the US and Iranian in their ongoing battle. The thesis digs into the economic implications of this conflict, examining how sanctions and economic pressures have affected both countries as well as the entire Middle Eastern region. It also discusses the consequences for their national military. In addition, the study evaluates the responses of Iran's alliances, bordering states, regional strategies, and social coalitions. In addressing this long-standing conflict, it also considers the global community's and international actor's stance. Finally, the thesis summarizes key findings, offers perspectives on future US-Iran relations, opportunities for regional peace and cooperation, and policy recommendations.

**Keywords:** US-Iran rivalry, Middle East, Geographical and Political Affairs, Economic Dimensions, Military Aspects, Strategic Tactics

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## INTRODUCTION

The rivalry between the US and Iran has been a major cause of tension in the Middle East for a decade. Geopolitical, religious, and ideological disagreements have formed this rivalry. The two nations have had a hostile relationship that has been marked by times of tension, conflict, and occasional discussions and there have been economic, political and cultural differences between them. It's an odd way to write the history from beginning to the end. But in the US, this is how a story is told. In the 1980s, 1990s, and 2000s, a list of Iran's transgressions from "support for terrorism" to "pursuit of nuclear weapons" usually follows, with the charge that all these actions are ultimately the result of the radicalism of the Islamic Republic, which was founded forty years ago, and the ideology of hatred and hostility it has since fostered. On the contrary, the story of Iran typically starts in 1953 with a different kind of original sin.

In 1953, tensions between two countries erupted when the United States backed in to overthrow Iran's democratically elected wildly popular Prime Minister Mossadeq and a great admirer of human rights and democracy, had stood for the objectives of a whole generation. It was a generation that had loved America. Mossadeq replaced it with a pro-western regime headed by Shah Mohammad Reza Pahlavi. The US supported the western regime of the Shah's and assisted him with economic and military support, and as a result Iran's anti-American sentiments rose. Iranian Revolution of 1979, turned the tables of the US backed regime when the secular government of Shah was replaced by an Islamic

fundamentalist movement. This new movement led by the Ayatollah Ruhollah Khomeini, totally opposed Western influence and aimed to create an Islamic Republic. It was seen as a symbol of the west and this led to a clash with the US. The perception that the United States was a significant ally of the monarchy and an ally of the new regime over the years gave rise to a number of tensions and confrontations. As a consequence of the revolution, the US embassy in Tehran was taken hostage by the Iranian Militants, and the hostage situation lasted for 444 days (Kratz, 2021).

Tensions between the two nations grew in the 1980s after the US supported Iraq in its eight-year war against Iran, during which Iran was subjected to economic sanctions and military attacks. Relations between the two countries further deteriorated, when a militant group with Iranian links bombed the US embassy in Beirut killing 63 people, including 17 Americans. Iran's involvement in regional conflicts has been a further cause of hostility between the two nations. In the Middle East, Iran has been accused of funding a number of paramilitary organizations, including Hezbollah in Lebanon, the Houthis in Yemen, and Shia militias in Iraq. These groups, according to the United States, are harming U.S. interests and destabilizing the region, and the country has taken military action as well as diplomatic and economic pressure to combat this. Iran is additionally accused by the United States with supporting terrorism, primarily through the Revolutionary Guard Corps (IRGC) and Quds Force (Wright, 2010).

The IRGC has been labeled a terrorist organization by the US, which also accuses it of supporting and supplying training to a number of regional militant organizations, including Hezbollah and Hamas. Iran has refuted these claims and claimed that the United States is supporting terrorism and causing instability in the area by maintaining troops in places like Iraq and Afghanistan. Their rivalry has been further escalated across the years, with the US has imposed economic sanctions on Iran because of their involvement in the terrorist activities, and the US tried to stop its nuclear program. Iran on the contrary, has been trying to increase its influence in the Middle East, and developing a nuclear program that it claims is for only peaceful purposes. They both have engaged in a series of proxy wars in the Middle East region, Iran supports the Shia militants and governments in Yemen and Syria, while on the other side US backed Sunni Arab States (Lane, 2023).

There have been various diplomatic efforts between the USA and Iran over the years, despite the continued hostilities. The Joint Comprehensive Plan of Action (JCPOA), generally known as the Iran nuclear agreement, was signed in 2015 by the US, Iran and a number of other nations. Iran was granted an exemption from some economic sanctions under JCPOA in exchange for limiting its nuclear program. In 2018 the United States however, withdrew from the agreement and expressed concerns that it did not go far enough to stop Iran from developing nuclear weapons. In 2020, tensions were further increased when a US drone strike killed the Iranian Major General Qasem Soleimani. This incident marked as a crucial incident between both countries, which have been strained for decades.

Since the demise of the pro-US monarchy, the US has pursued an adversarial strategy towards Iran's Islamic Republic. Despite consecutive US administrations' efforts to recover earlier influence in that country since 1979, the Soviet Union's collapse has strengthened the US and restored its political leverage in Iran. Understanding of this goal might remove a major hurdle to the region's rising US authority. As a result, Iran is a member of the so-called "axis of evil" promoted by the Bush administration. Iran's Islamic government's autonomous foreign and domestic policies pose a challenge to the US-led Western bloc's dominant political, economic, and military power in the Persian Gulf and Southwest Asia.

The pressure on Iran to halt its nuclear project is a component of a multifaceted effort to isolate Iran at both the regional and international levels. Furthermore, the lack of global counterweight to limit US interventionism in the region has increased the chance of US political or military intervention in Iran. As a result, the US has increased its efforts to destabilize and possibly demolish the Islamic regime as part of its intentions to reshape the region's political and strategic landscape. In this regard, the US employs a variety of

political and economic tools in order to undermine the Iranian government (Yazdani, 2006).

Today, there is an extensive chasm that exists between the United States and Iran, that kind of chasm which did not exist between the United States and the Soviet Union even during the darkest periods of the Cold war. In short, we can easily say that there isn't a single problem the US is dealing with in the Middle East that cannot be traced back to its problematic relationship with Iran in some way. And there isn't a single issue that wouldn't benefit from an improvement in that relationship. For the past four decades, America's efforts to advance its interests in the Middle East have suffered immensely as a result of its hostility and bile relationship with the Islamic republic of Iran. Yet, that same relationship of Iran and the United States, paradoxically, could prove to be the key that unlocks so much only if allowed to turn in the opposite direction (Ghavinian, 2021).

### Objectives

- To evaluate the historical events of the US-Iran conflict in the Middle East.
- To examine the impact of US-Iran contention on Middle Eastern Peace- Stability.
- To analyze political, economic and military factors in US-Iran rivalry.
- To investigate the current and future tactics of the US-Iran in mapping the Middle Eastern Political scenario.
- To access the role of other actors at regional and international law.

## METHODOLOGY

The research methods on the study of US-Iran rivalry includes both descriptive and analytical approaches, as well as qualitative analysis approaches. The method of data collection involves using secondary sources, which include books, reports, articles, and international journals. These secondary sources provide the basis for getting relevant data and information. The study's goal is to provide a complete analysis of the historical context and underlying factors driving the US-Iran rivalry, in addition to an analytical examination of its multifaceted repercussions. This technique allows for an in depth evaluation of the issue by leveraging current literature and opinions of experts, allowing for a broader comprehension of this complex geopolitical relationship.

### Theoretical Framework

A theory of International Relations known as neorealism places a strong emphasis on the function that security and power play in the global order. Neorealist contend that nations are the main players in the international system and that their survival and interest-protection goals drive them. States must rely on themselves to maintain their security under anarchic systems with no centralized authority. This calls for

ongoing vigilance regarding the strengths and motivations of other nations, as well as a readiness to employ force when required. Neorealist theory may be used to explain the conflict between the US and Iran. As a major country with significant interests in the Middle East, the United States regards Iran as a possible threat to those interests. A regional power with its own ambitions, Iran is not averse to using force to further its objectives. The two nations have been at conflict for many years, and the Middle East has suffered greatly as a result.

The instability of the area has been one of the most serious effects of the US-Iran rivalry. The two nations have backed opposite parties in regional wars including the Yemeni Civil War and the Syrian Civil War. As a result, there has been an uptick in violence and unrest in the area, which has made it more challenging to put an end to these disputes. An arms race in the Middle East has also resulted from the US-Iran conflict. Ballistic missiles and nuclear weapons are only two examples of the advanced weaponry that both nations are creating or obtaining. The likelihood of a confrontation between the two nations has grown as a result, which might have disastrous repercussions for the area. There are no simple answers to the complicated problems of the US-Iran conflict. Neorealist theory, on the other hand, can offer some insights into the reasons behind the conflict and its effects on the Middle East. We may better grasp the difficulties in settling the conflict and the possible effects of its continuance by understanding the fundamental dynamics of the rivalry.

## LITERATURE REVIEW

(Ghavinian 2021) The book "America and Iran: A History, to the present" The book succeeds in providing historical context, highlighting cultural connections, and presenting a fair viewpoint on the diplomatic and political events that have shaped the two countries' interactions. Ghazvinian also examines crucial episodes in US-Iran relations, such as the 1953 CIA-led coup in Iran, the 1979 Iranian Revolution, and the Iran Hostage Crisis. He meticulously examines the impact of these events on the relationship's evolution and emphasizes the frequently unexpected consequences of political decisions. He provides a balanced assessment of both sides' errors and missteps, urging critical thinking.

(Emery October 15, 2013) US Foreign Policy and the Iranian Revolution by Chris Emery provides a comprehensive overview of US-Iran relations, avoiding simplistic judgements and presenting insightful views. It is a must-read for everyone interested in the state of distrust between Washington and Tehran. Emery's assessment of US-Iran relations is objective, analytical, and fair, offering light on the strategic and domestic considerations that drive the US's engagement with Iran. The story revolves around a cast of characters, including politicians with a focus on short-term gain, opportunism, and obsessions, as well as people who tried to make sense

of events they didn't know. It provides a sophisticated and analytical analysis of the US-Iran relationship.

(Wright, 2010) In this book a wide range of issues are discussed, including the country's historical foundation, political dynamics, and growing relationship with the United States. It contains excellent information about Iranian politics, movements, military, economic policies, sanctions, and regional dynamics. It examines five possibilities for dealing with Iran and examines US-Iran relations under six American presidents. Robin clearly explains the US foreign policy in the Middle East and its ever changing dynamics. And how it unravels the complexities of Iran's political environment and its changing relationship with the US.

(Wise, 2011) "Islamic Revolution of 1979: The Downfall of American-Iranian Relations" is a comprehensive examination of the Iranian Revolution and its impact on American-Iranian ties. The article dives into the historical, cultural, and geopolitical issues that contributed to the revolution, emphasizing the two countries' complex relationship, most importantly the origins of American involvement in Iran, emphasizing the complex connection between the two states prior to the revolution. It analyzes the noting socioeconomic concerns and religious fervor and the lasting implications of the revolution on American-Iranian relations. The United States' response to the revolution, which included sheltering the expelled Shah, had a profound impact on Iran's views of American interventionism.

(Yazdani, 2006) The US has pursued an aggressive policy against the Islamic Republic of Iran. Since the collapse of the pro-US monarchy, the US has pursued Iran forcefully in order to reclaim political dominance in the region. Iran has been classified in the Bush administration's "axis of evil" because its independent foreign and internal policies endanger the US-led Western bloc's power in the Persian Gulf and South-West Asia. The pressure on Tehran to halt its nuclear program is part of a complex campaign to isolate Iran at both the regional and international levels. The lack of a global counter-weight has increased the likelihood of US interference in Iran, leading to increasing efforts to destabilize and potentially remove the Islamic Republic. The US is undermining the Iranian government through a variety of political and economic techniques.

(Ilias, April 22, 2010) Because of its uranium enrichment efforts and alleged support for terrorism, Iran, a Middle Eastern country, is a primary focus of US national security strategy. High inflation, unemployment, and a lack of foreign investment have all hampered Iran's economic growth. Iran's economy is primarily reliant on crude oil production and export, rendering it sensitive to worldwide oil price swings. Despite its large petroleum reserves, Iran lacks significant refining capability and must rely on imports of petrol to meet its domestic energy demands. Shayerah Ilias stated that The United States is

extremely interested in Iran's connections with other countries, particularly China and Russia, while Iran has focused on regional trade potential. High oil prices have given Iran greater leverage in dealing with international concerns, but the 2008 global financial crisis may slow the Iranian economy.

(katzman, 2022) Since the 1979 Islamic revolution, the United States has imposed economic limitations on Iran, mostly secondary sanctions on companies doing business with Iran. And of course these sanctions have impacted Iran's economy, but they haven't changed its strategic goals of expanding influence and creating a vast arsenal of missiles and drones. Numerous analysts believe that sanctions played a role in Iran's decision to sign the Joint Comprehensive Plan of Action (JCPOA) in 2015. U.N. and European Union sanctions were withdrawn after the Obama administration eased restrictions, but sanctions remained in place, allowing Iran to resume expansion.

(Afrasiabi, 2019) The Trump administration has heightened the conflict between Iran and the United States, potentially heading to war. The United States has withdrawn from the Iran nuclear deal and reintroduced nuclear-related sanctions, reversing previous administrations' Iran containment policies. This shift in US foreign policy, marked by a militant cabinet, has far-reaching consequences for Iran, its neighbors, and the chances for long-term stability in the Persian Gulf. Further it investigates the dynamic of US-Iran relations during the Trump era, and hostility between Washington and Tehran, which has the potential to escalate to a tragic conflict.

(Rome, The Iran Primer, 2020) "Iran's Defense Spending," written by Henry Rome, presents a clear and useful summary of Iran's military expenditures and their evolution over the last two decades. The paper deftly explores Iran's defense budget, offering insight on the country's strategic aims and outlining significant elements influencing its spending trends. Rome's study contextualizes Iran's military investments within the larger geopolitical landscape, providing readers with significant insights into the regional and global repercussions of its defense spending.

## **CRITICAL ANALYSIS OF IRANIAN GEOPOLITICS**

### **Geographical Importance of Iran**

It is worth mentioning that Iran is one of the oldest, proudest, and long lasting civilizations. Unlike other countries in the region, Iran was not established by the British or French colonial rulers drawing lines in the sand or delegating power to indigenous political elites. Rather, Iran has had three thousand (mostly) uninterrupted nationhood, broken only by a period of foreign dominance in the middle Ages. Iran along with China, Egypt, Greece, and Ethiopia is one of the few nation states that can legitimately claim to have existed

since antiquity. It is also one of just seven or eight countries that have never been colonized by European powers. Iran has an extremely strong sense of its cultural, historical, and political identity, as well as its regional significance. It cannot be an unavoidable presence in any of the discussions of the Middle East. (Ghazvinian, January 26, 2021)

### **Strategic location of Iran:**

Iran, officially known as the Islamic Republic of Iran, is a country in Western Asia. Its Northern boundaries touch the Caspian Sea, its Western border faces the Persian Gulf and the Gulf of Oman and its Eastern border adjoining Afghanistan and Pakistan. Iran's strategic location has been enormously significant throughout the history, influencing its role in Global geopolitics, trade, and cultural exchange.

### **Geographical Attributes**

Iran has a diversified landscape with various geographical characteristics that contribute to its strategic importance. Iraq, Turkey, Armenia, Azerbaijan, Turkmenistan, and the United Arab Emirates are among the countries that border the country. The rocky Zagros and Alborz mountains ranges, enormous deserts, lush plains, and proximity to two major bodies of water the Caspian Sea and the Persian Gulf are all part of its vast and varied terrain (The World Factbook, 2021).

### **Crossroads of Eurasia**

Iran's geographic significance as the "Crossroads of Eurasia" originates from its strategic position at the heart of Eurasian continent (refers to the geographical location where the continents of Europe and Asia meet). This position has made it a vital hub for trade, cultural exchange, and political contacts between the Middle East, Central Asia, South Asia and Europe throughout history. This region is of great historical, cultural, and economically significant since it has served as the crossroads for trade, migration, and cultural exchange for ages. As an essential connection in the ancient Silk Road, Iran facilitated the movement of goods, people and ideas across the continent, enhancing its economy and fostering cultural variety.

### **Access to Waterways**

Due to Iran's southern coastline along the Persian Gulf it has complete access to vital maritime trade routes. The proximity of Iran to the Strait of Hormuz is of critical strategic importance. The strait is a short canal that connects the Persian Gulf to the Arabian Sea and carries a significant amount of the world's oil supplies. Iran's control of this critical chokepoint provides it the ability to disrupt global energy supplies, and this makes Iran a key player in regional and international politics (EIA, 2019).

### **Energy Resources**

Iran is blessed with an abundance of energy resources, making it one of the most important players in



the global energy market. The country has substantial reserves of both oil and natural gas, which have helped them shape their economy and geopolitical importance.

Iran possesses some of the world's greatest proven oil reserves. The country's total proved oil reserves are estimated to be over 157 billion barrels, placing it fourth in the world after Venezuela, Saudi Arabia and Canada. Iran's largest Oil fields are Ahvaz, Gachsaran, Aghajari and Marun (Staff, 2019). Iran is a major producer and exporter of crude oil. Prior to the implementation of international sanctions in recent years, it used to produce between 3.8 and 4 million barrels of oil per day.

Iran has the world's second largest proven natural gas reserves, shortly after only Russia. The entire country's proven natural gas reserves are believed to be over 1,200 trillion cubic feet (tcf). The South Pars/North Dome Gas-Condensate field located in the Persian Gulf, which is shared with Qatar, is one of the largest natural gas resources in the world. And of course Iran produced a significant amount of natural gas, prior to the sanctions it generated 200 to 230 billion cubic meters (bcm) of natural gas per year. However, because of insufficient infrastructure and sanctions-related issues its natural gas export potential has not been completely recognized.

Iran's location, assets and resources attract the interest of major powers such as China, Russia and the United States. Each of these countries has economic, political, and security interests in the region, which leads to complicated interactions and geopolitical maneuvering. Due to Iran's strategic location, the Crossroads of Eurasia has been used frequently as a focal point for geopolitical disputes. Its borders have been contested, several empires and nations have attempted to enforce influence in the region (Muñoz, 2008). As a result, political alliances, conflicts and the power struggle have shifted.

For all of the above mentioned reasons, Iran merits a very close attention. And of course for all of these reasons, none of us can afford to be overly optimistic about the state of hostility between Iran and the United States. Though it may not be apparent on an everyday basis, the poisonous atmosphere that has formed between the two over the years has caused enormous damage to the United States, Iran, to the Middle East, and the world as a whole.

### **US interference in Iranian political policies Prior to the Revolution**

The United States was the primary foreign force that supported Muhammad Reza Pahlavi's (the Shah's) regime, which controlled Iran from 1941 until his collapse in February 1979. It was admitted by the US State Department in 1967 that after 1950, US had "surpassed the former rivals Russia and Britain", as the important force having influence in both Iran's internal

and external affairs. During the Cold War between Western bloc led by the United States and the Union of Soviet Socialist Republics (USSR), the US backed the Shah's corrupt and brutal dictatorship. The US saw the Shah government as a Bulwark against Soviet expansion in the spanning from Caspian Sea's coastline to the Red Sea's Bab el Mandeb Straits. Keeping Iran within the predominantly Western controlled, oil-rich region of West Asia was a critical US goal during the Cold War's bipolar framework of world affairs (Angius, 2018).

Two agencies in which (CIA) Central Intelligence Agency and the other one is (MI 6), they both had a significant role in boosting the Monarchy of Iran in 1953 by arranging the ouster of Mohammad Mossadeq, a nationalist prime minister who not only opposed the Shah's autocracy but also played a key role in nationalizing the Iranian oil sector, seriously damaging the authority of Western oil companies in the nation. By deposing Mossadeq from his power, the US and Britain reinstated and strengthened the Shah rule. As long as the Shah's dictatorship served the Western imperialist interest in the area, the West accepted the massive violation of human rights and repression of democracy. Despite the reality that thousands of Iranians who fought monarchical authoritarianism were killed by the Shah's secret police, SAVAK, the United States continued to back the Shah's harsh police state by "improving the regime's capabilities" to deal with the potential insurgency situations". By the early 1970s, the Shah had become the West's most significant client in the region. In fact, the US was turning the Pahlavi regime into one of its major security pillars in the area under the Nixon Doctrine, emphasizing the necessity for local gendarme (police) to safeguard the US's interests in the region. As a result, Iran was tasked with protecting US interests in the Persian Gulf, and by the mid-1970s, the Shah's regime had become one of the greatest consumers of US armaments in West Asia. Taking advantage of this approach, Muhammad Reza not only initiated the early 1970s OPEC oil price increases, however, Iran's defense expenditure was increased from \$1.4 billion in 1972 to \$9.4 billion in 1977. The significant rise in Iran's defense budget resulted in the formation of a strong military with officer corps trained by the US (Yazdani, 2006).

The US military relationship with Iran is "fundamental to our (US) overall relationship with the Shah, "according to the State Department, and the paper correctly stated that "the Shah's regime is still ultimately dependent on the (US trained) security forces which he commands, and the opposition is still strictly controlled". However, the US was concerned that increasing oil earnings had given the Shah some financial independence, which could allow Tehran to exert the power over its own affairs associated with full sovereignty. In contrast, the Shah's actions alienated an enormous number of Iranian Muslim people, including the religious establishments, besides increasing the socioeconomic gaps. The growing division between a small section of the US-backed Westernized political

elite and a largely ignored section of the Islamic populace became one of the primary causes of the 1979 uprisings that culminated in the overthrow of the monarchy and establishment of the Islamic Republic of Iran (IRI) (Byrd, 2006).

### **US Attitude towards Post-Revolutionary Regime**

The Islamic Revolution in Iran's success was definitely a historical moment in international politics. Of course, the various Islamic parties that rose to power after the monarchy was deposed were made up of various factions, but practically all of them recognized Ayatollah Khomeini as the revolutionary leader who wanted to construct a new society in Iran based on Sharia (Islamic Law). His ideas are based on the Quran, and he saw the world as divided into oppressors and oppressed. They claimed divine right to govern Iran based on their interpretation of Muslim law. Iranian unity, acceptance of other countries' self-serving interests, military interference in domestic political issues, and the objective of Iranian advancement were the core principles of clerical power. Additionally, he denounced the United States as the "Great Satan" and a "terrorist government" as well as the "imperialists and the tyrannical self-seeking rulers" who had divided the Islamic World. He emphasized the need for Muslims to fight for their independence from Western World and subsequently Soviet influence.

The defiance of the Iranian Islamic revolutionary leadership and its anti-imperialist plan became an indicator of significant concern for the US policymakers. For the Muslims of this region, revolutionary Iran represented the restoration of freedom, dignity, and the honor that countries of the region had lost during the two centuries of colonial and neocolonial rule.

After the revolution the new government criticized the role of the US-backed regimes in West Asia for assisting American efforts to dominate the region. Furthermore, the Iranian revolution emphasis on implementing Islam as a full socio political and economic doctrine significantly challenged Western socio cultural dominance in the region. Ayatollah Khomeini's goal was to reconstruct Islamic societies by the application of the Islamic law, thereby denying the Western political and cultural influences on them. In his vision Islamic Iran might serve as an example of a truly Islamic society for other countries to follow. In other words, the spiritual foundation of the revolution may be spread to other Muslim societies. In this regard, Article 10 of the 1979 Iranian Constitution emphasizes Iran's role in promoting Muslim unity, declaring that "All Muslims form a single nation" and the government of the Islamic Republic of Iran has the duty to "exert continuous efforts in order to realize the political, economic, and the cultural unity of the Islamic world" (Yazdani, 2006, p. 23)

Most importantly, under Ayatollah Khomeini's leadership, the Iranian administration emphasized its independence from both the Western and Eastern blocs, and the Islamic Republic's slogan "neither East nor West" remained a pillar of Iranian foreign policy. during his lifetime. The core objective of US policy towards Iran for the last few decades has been reclaiming political and economic control of that country. The Iranian Revolution upended the West Asian political structure, which mirrored the bipolar US-Soviet rivalry at the time, with almost every regional state aligned with one of the two Cold War superpowers. The creation of a revolutionary Islamic State claiming independence from both blocs was a completely unprecedented development in this regard.

### **Revolution's effects on US-Iran relations Deterioration of US-Iran Relations**

The Islamic Revolution in Iran resulted in a shift in ideology. Ayatollah Khomeini and its other Iranian leaders viewed the United States as a self-centered country. As an outcome, American-Iranian ties deteriorated following the 1979 Islamic Revolution. Khomeini was extremely aware that the US stood opposed to his revolution. As consequently, he was passionately opposed to the majority of beneficial connections with America. He claimed that the US was taking advantage of Iran's natural resources, assets, and people. He stated that Iranians were pressured into taking part in a revolution as a result of US manipulation led to the loss of Iranian blood. He was prepared to put his finances at stake in order to end Western influence in Iran. Many US policymakers anticipated that because of Khomeini's extremist ideas, the desire for revolution would start to weaken and that moderate changes would take control. When Khomeini was initially establishing his own government, US officials believed that favorable diplomatic actions should be taken towards him in order to prevent the Soviet Union from influencing or taking over Iran. Khomeini on the other hand, wanted isolationism in Iran and did not want to establish connections with America. In fact, he delivered fiery anti-American speeches to the allies and the Iranian media. In May 1979, the United States Congress approved legislation criticizing the Iranian government for its current actions. Consequently, large numbers of anti-American protests and media outlets expressed their discontent with the United States. The US presented a candidate for an ambassador to be dispatched to Iran, but Iran rejected the nominee. According to Khomeini, "All the problems of the East stem from those foreigners from the west, and from America at the moment. All our problems come from America"(wise, 2011, p. 17).

Because Khomeini blamed the United States for Iran's problems and revolution, and the aftermath of the 1979 was an important turning point in American-Iranian relations. These two countries' attitudes and actions deteriorated throughout time

### **Containment**

Before to the Islamic revolution, Iran was an ally in the fight against communism, the major "evil" of America's cold war adversary, the Soviet Union. Following the Islamic revolution, Khomeini isolated Iran from American influence. In contrast to Muhammad Reza, Khomeini was the one who convinced the Tudeh Party to stay. He not just enabled the resurgence of this pro-Moscow party in Iran, but he also took moves that helped the Soviet Union. Iran was a critical point of contact for the US in gathering intelligence on the Soviets. As a consequence of the Islamic Revolution, American intelligence gathering in Iran came to a halt. Khomeini took over the administration and shut down two intelligence gathering centers run by Americans. One was on the border with the Soviet Union, near Bandar Shah. The other location was in a remote area of Kabkam Since Khomeini blocked these sites, US commanders were unable to spy on Soviet Central Asian nuclear and missile testing facilities. During this period of change in Iran's foreign policy, Soviet authorities learned important intelligence on US military advances that they would not have known anyway. Thus, Khomeini's activities to prevent the US from acquiring information on the Soviets and to allow information to fall into the hands of the Soviets were devastating blows to American officials and intelligence agents. US leaders were concerned and outraged by these actions.

### **Seizure of the US Embassy**

Even shortly after the Shah's fall, the US continued to intervene in Iran's internal affairs, which became one of the main causes for the students' seizure of the US Embassy in Tehran on November 4, 1979. The move was in reaction to American President Jimmy Carter's decision to enable Reza Shah to receive cancer treatment in the United States. Carter's administration was damaged by the hostage crisis which lasted 444 days (Elwelly, 2022). The main reason why this situation lasted so long was Khomeini's support. He endorsed the action against the United States for some reasons He and his clergy believed that the US embassy in Tehran was being used to destabilize his regime. Khomeini backed the hostage crisis because he believed it would stymie US-Iran reconciliation. According to one contemporary observer, since American resistance to the Islamic revolution was considered unchangeable, any loosening of relations by Iranian officials would expose them as traitors to the reason for the revolution.

Khomeini and his supporters were likewise convinced that the moderate changes were aimed at liberalizing the regime. By assaulting the Embassy of the United States, the clerics may destroy liberal political parties and cause a deadlock between the US and Iran. Regardless of Jimmy Carter's efforts to reach an agreement with Iran in 1979, Khomeini permitted the militants to hold the Americans as proof of Iran's "independence and opposition to American power."

Indeed, the US Embassy was being used as an espionage center. Hundreds of documents confiscated by the students following the seizure proved that the Embassy had recruited multiple anti-government agents within the Iranian administration and the Military forces. The US cut diplomatic ties with Iran in April 1980 as a result of the Embassy occupation. America blamed the Iranian government for the hostage takeover, despite the fact that the hostage takers acted autonomously and without the knowledge of the Iranian officials. The Carter administration set up a series of punitive actions against Iran, including an economic embargo, the seizure of the Iranian assets in the United States, and the cancellation of visa facilities for Iranian travelers. On top of that, the US launched Operation Eagle Claw with US Special Forces to strike the Embassy and transport the diplomatic employees to an American Carrier Task Force in the Arabian Sea. Nonetheless, the expedition failed to meet its objectives. The crisis widened the gap between the two countries. Americans were outraged by how the hostages were mistreated, and Khomeini's supporters fueled their anti-American sentiment (Yazdani, 2006).

In spite the failure of the hostage's rescue mission, the US administration persisted in its efforts to destabilize Iran's Islamic Republic. For example, the United States established contacts with former senior military leaders of the Shah regime and attempted to conduct a pro-Western coup in Iran through them. In December 1979, the CIA made contact with important generals in the Shah's army, such as General Ghulam Ali Oveissi, to carry out the plan. In addition, the US established contacts with Shahpour Bakhtiar, the most recent Prime Minister of the Shah dynasty, for similar purposes. In those efforts, the US sought the cooperation of Saddam Hussein's then-Iraqi administration in overthrowing Iran's new government by launching a border conflict in September 1980.

### **Strategic techniques imposed in US-Iran rivalry Politics**

The rivalry between United States-Iran has been a complex and diversified geopolitical war with historical roots, due to the 1979 Iranian Revolution Iran underwent a significant political transformation. A theocratic Islamic republic was founded, which clashed with the US's interests in the region. This led to a series of confrontations and tensions that continue to shape their relationship. A key aspect of their rivalry is political competition. The US has repeatedly criticized Iran's human rights record as well as its support for Middle Eastern Militant groups such as Hezbollah and Hamas. And in return, the US has pursued policies aimed at isolating Iran diplomatically, such as imposing economic sanctions and withdrawing from the Iran nuclear deal. Iran on the other hand, has attempted to undermine the US dominance in the region while advancing its own political agenda. It has attempted to export its revolutionary theology and create connections with governments that share its views, such as Syria. Iran had

also been accused of supporting proxy groups that have carried out assaults against the US objectives, including attacks on US forces in Iraq. This rivalry is characterized by political, military and economic competition. Both countries have used a variety of strategic techniques to advance their respective interests while undermining each other.

### **Economic Sanctions**

Economic sanctions are one of the key tactics used by the US to exert pressure on Iran. These sanctions seek to economically isolate Iran, limit its access to global markets, and target important sectors such as oil, banking, and defense. Over the years, the United States has imposed and increased these sanctions, notably through legislation such as the Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA) and the Iran Nuclear Agreement Review Act (INARA). The goal is to cripple Iran's economy, disrupt government operation, and limit the country's capacity to pursue regional aims (BUREAU OF ECONOMIC, 2011).

### **Military Posturing**

Both the United States and Iran engage in military posturing in order to dissuade and intimidate one another. The United States maintains a substantial military presence in the Persian Gulf Region, with a network of bases and naval forces, including the Fifth Fleet based in Bahrain. The US conducts military exercises and displays of force in the region on a regular basis, such as annual joint military drills with Gulf Cooperation Council (GCC) partners (Asmar, 2023). Iran on the other hand, invests in its defense capabilities and projects its military strength through proxies such as Hezbollah and armed groups in Iraq and Yemen. This Militaristic approach seeks to maintain the region's balance of power and influence.

### **Cyber Warfare**

Cyber warfare is another tactic used in this rivalry. Both the United States and Iran have engaged in cyber-attacks and espionage against one another. Stuxnet, a computer worm that attacked Iran's nuclear programme, is an example of the United States and Israel working together to impair Iran's essential infrastructure. Iran has developed its own cyber capabilities in response, using them to target US institutions, hack websites, and conduct espionage. Both sides are able to employ cyber warfare to acquire intelligence, disrupt communication networks, and potentially cause economic and infrastructure harm to the opposing side.

### **Proxy Warfare**

Proxy warfare is a significant component of the US-Iran rivalry. Both countries assist and sponsor numerous armed groups and militias throughout the Middle East, to advance their interests and counter each other's influence. For Instance, the US backs groups fighting against Iran-backed forces in Syria and Iraq,

while Iran supports groups such as Hezbollah in Lebanon and the Houthis in Yemen with financial and military assistance. This policy allows Iran and the US to maintain a degree of deniability and avoid a direct dispute while achieving their regional objectives.

### **Diplomatic Tools**

In addition to the aforementioned strategic techniques, Both the US and Iran use diplomatic measures to manage their rivalry. This involves getting involved with discussions, negotiations, and diplomatic initiatives like the Joint Comprehensive Plan of action (JCPOA), also known as Iran nuclear deal. Diplomatic efforts try to de-escalate tensions, find common ground on specific topics, and develop communication channels in order to reduce the chance of a direct military confrontation. However, diplomatic attempts have frequently been plagued by mistrust, communication breakdowns, and diverging strategic objectives.

The history of US-Iran political relations is characterized by American interference in Iranian domestic policies. The Iranian Revolution of 1979 fundamentally altered the landscape of US-Iran political relations, resulting in an era of strained diplomatic ties and mutual hostility. The revolution not only resulted in a fundamental shift in Iran's political structure but also fueled anti-American sentiment due to perceived US support for the deposed shah. This establishes a strong hatred between the two countries, making diplomatic reconciliation difficult. The rivalry exemplifies the complex interaction of power, ideology, and geography. The history of interference, the profound impact of the revolution, and the utilization of strategic techniques collectively underscore the enduring nature of this relationship.

### **US-Iran rivalry and its impact on their economy**

The Islamic Republic of Iran is the primary target of US foreign policy. The US has recognized the Iranian government as a state sponsor of terrorism. The US believes Iran as causing instability in the Middle East and is concerned over its expanding regional and global influence. The US has provided intelligence about Iran's uranium enrichment programs, which have reportedly been utilized to create weapons of mass destruction. Iran has also been accused of supplying Shiite militias in Iraq, supporting Hezbollah and Hamas, and fostering sectarianism throughout the Middle East.

The Islamic Republic of Iran, the most resource-rich country in the Middle East, is a major focus of US national security policy. The 1979 revolution had an impact on Iran's current political and economic history. Iran was converted by Ayatollah Khomeini and his allies into an Islamic state with a public-sector-dominated economy that was growing more and more isolated from the rest of the world. With the war between Iran and Iraq (1980-1988), Iran witnessed declining real economic growth rates, a reduction in oil revenue and production,



and along with excessive inflationary. This was a the opposite direction of economic boom in the 1960s and 1970s, when Iran's economy witnessed real economic growth rates of exceeding 10%, among the greatest in worldwide history, as well as an increase in per capita income along with low inflationary levels (Vitaliy Kramarenko, 2008, p. 48).

Under a five-year economic strategy, Iran aimed to rebuild devastated by war domestic industry, attract investors from abroad, enhance foreign relationships, expand trade, and balance wealth in 1990. During the postwar period, oil output recovered, but the country saw a catastrophic economic collapse in the latter part of the decade due to a reduction in the price of oil worldwide. Iran has been subject to numerous US economic sanctions since the 1979 hostage crisis at the US embassy in Tehran. The US imposed an oil embargo on Iran and froze \$12 billion of Iranian assets held outside of Iran (Maryam Hemmati, November 2022). Concerns regarding Iran's nuclear program and terrorist involvement organizations have led to such steps over time. To cut off Iran from the US financial and commercial structures, the US has concentrated on specific financial sanctions. Sanctions have been imposed in order to compel Iran's leadership to change its policies regarding its nuclear program and support for terrorist organizations. To that purpose, the US has applied sanctions to hinder the expansion of Iran's petroleum sector and restrain Iran's financial resources in order to encourage modifications to policy in Iran. With that US has imposed the most severe sanctions on Iran than any country in the world, major sanction; ban on US trade with investment in, and financing for Iran, ban on foreign firms who do business with Iran's energy sector, ban on arms exports in Iran (Iran is barred from receiving US arms exports under multiple laws), ban against weapons of mass destruction etc. (katzman, 2022).

The US continues to apply diplomatic pressure on other countries and companies to curtail their trade with Iran. Some European Union member states and other countries have also imposed sanctions on Iran in accordance with United Nations resolutions. In the United Nations, The United States has been pushing for more challenging international sanctions against Iran. In March 2008, the United Nations Security Council (UNSC) issued resolution 1803, which called for the inspection of suspicious international ships to and from Iran suspected of carrying prohibited goods. It recommends increased monitoring of specific Iranian financial institutions, travel bans for specific Iranian, and the freezing of more assets tied to Iran's nuclear program. In June 2008, the five permanent members of the UN Security Council (Britain, China, France, Russia, and USA) and Germany offered to defer further sanctions against Iran in exchange for Iran agreeing to cease its uranium enrichment program and begin negotiations on limitations of nuclear activity. Iran has vigorously opposed US and UN sanctions. The country has long

claimed that its uranium enrichment program is intended to manufacture fuel for nuclear power reactors rather than fissile material for nuclear weapons. The Unemployment rate remains high, expected to be 11.8% in 2008 (Ilias, April 22,2010).

### **Obama's administration**

In 2015, US sanctions affected Iran's decision to join the Joint Comprehensive Plan of Action (JCPA). Secondary sanctions enforced by the US led to the collapse of the economy of Iran between 2011 and 2015, when its petroleum product exports fell by more than 50% and it had no way to access its foreign exchange funds stashed abroad. The Obama administration eased necessary US economic sanctions, and UN and European Union sanctions were also dropped. The JCPL does not allow the relaxation of US restrictions on bilateral US-Iran trade or sanctions imposed in response to Iran's assistance to neighboring armed factions, violations of human rights, and efforts to gain missile and sophisticated conventional weapons technologies. Due to easing some of the US sanctions during the Obama administration, Iranian oil exports which had previously been restricted, have increased significantly. This resulted in strong and immediate GDP growth (a growth rate of 8.8% from \$408 billion in 2015 to \$442 billion in 2016). This growth rate in 2016 was higher than that of Egypt (4%), Turkey (3.3%), Saudi Arabia (1.67%) and Pakistan (5.5%). This upbeat and hopeful phase was short-lived. The election of Donald Trump as President of the United States in 2016 meant that the future of JCPA was in doubt (Farzangan, 2023).

### **Trump's administration**

During President Trump's administration, he revoked the US participation in JCPA in 2018, and restored all US sanctions. The restored sanctions, and subsequent restrictions, were central to the Trump Administration's policy of applying "maximum pressure" on Iran, with the declared goal of persuading Iran to reach an agreement on an updated JCPA that addresses US concerns beyond Iran's nuclear program. The policy led Iran's economy to suffer as oil sales collapsed, and Iran became cut off from the world's financial system once more. The re-imposition of economic sanctions by the US in 2018 headed in a significant reduction in Iran's GDP growth rate for two years in a row (minus 2.25% in 2018 and minus 2.65% in 2019). (Farzangan, 2023).

### **Joe Biden's administration**

Since joining office, President Joe Biden stated that his administration would continue to enforce sanctions against Iranian state institutions and high-level officials for human rights violations, terrorist support, and the development of ballistic missiles. In addition, he has worked to put his stated intentions to rejoin the JCPA into action, including holding meetings with Iran and the other JCPA parties in Vienna, Austria (Nada, 2023). The economy continues to suffer growth obstacles, most notably those associated with economic restrictions,

limited utilization of external markets and cutting-edge technology, and a lack of much-needed foreign investment. Despite significant government interventions to keep the economy functioning, nearly 1 million jobs in the first year of the pandemic (2021/22). Moreover, labor-force participation declined by three percentage points. Iranian women were particularly badly hit: women held two out of every three jobs lost between 2019/20 and 2020/21. The crisis's gender impact is wreaking damage on Iranian women's labor markets disadvantage (Bank, 2023).

The rivalry between the United States and Iran has had an impact on the US economy as well. One of the significant effects is the implementation of sanctions on Iran, which has resulted in both positive and negative consequences for the United States. The contrary, sanctions imposed by the US have limited Iran's ability to export its oil and access systems. This in return has caused a reduction in oil supply and an increase in oil prices. Higher oil prices have been beneficial for US oil producers as they have led to revenues and profits. According to a report from the Congressional Research Services, these increased oil prices resulting from US sanctions on Iran have supported the growth of the shale oil industry and contributed to the US economy's overall expansion (katzman, 2022).

On the other side, there have also been negative consequences for the US economy due to these sanctions. For instance, since Iran has been a buyer of US products like soya-beans, corn and wheat, imposing sanctions has restricted American farmers' access to this important export market. As a result, there has been a decline in exports which has impacted the livelihood of farmers across America. The US-China Economic and Security Review Commission revealed that between 2017 and 2019 soya bean exports from the US to Iran decreased by 98% due to these sanctions (Belmonte, November 20, 2018).

The rivalry between these two countries has had a mixed impact on the United States Economy. While US sanctions supported the domestic oil economy, they also limited agricultural exports and created market uncertainty. Additionally, these effects are not only limited to the United States, conflict between these two countries might have worldwide consequences.

### **Middle East Economy and crippling situation**

The rivalry between the United States and Iran has lasted several decades. It has its roots in a complex web of political, economic and religious influences that shaped the two countries' relationship. The animosity between the two countries resulted in a series of wars and sanctions that harmed not just Iran's economy but also the economies of other Middle East's countries. However, the risk of additional US sanctions, as well as the underlying economic deterioration of the entire Middle East region, continue to pose a threat to security

and peace within Iran and among its many unstable neighbors posing threats to the global economy for decades.

A long conflict between Iran and the US has serious consequences for the global economy. Because of their rivalry higher oil prices, investment flows, drop in global investor confidence, and regional trade dynamics have all been influenced. Logically, the Middle East is a major hub for world oil production, with major producers including Saudi Arabia, Iran, Iraq, and United Arab Emirates. Any confrontation or escalation of tensions in the region, particularly including Iran, can increase concerns about the security of the Strait of Hormuz's oil infrastructure and shipping routes (Granados, 2019). This can cause supply interruptions, lowering global oil supplies and hiking up prices. The weak economic conditions in most Middle Eastern countries, the region unable to absorb a large economic shock. Several oil-exporting nations in the region gain from higher oil prices, but given their massive amounts of debt and little national intolerance for restrictions, many do not have a lot of space for economic maneuverability. Oil exporters are affected by the reduced oil prices decrease in cash inflows are affecting oil exporters. Oil importers such as Egypt, Lebanon, Morocco, and Tunisia, on the other hand, suffered losses in trade, foreign remittances, and finance. (Mazarei, 2020). This volatility has a knock-on effect across other sectors, contributing to the region's economic instability.

The conflict between the US-Iran has greatly intensified the regional crisis in the Middle East, resulting in major human and economic costs. This rivalry often includes opposing factions, militias, and governments, resulting in proxy battles. In Yemen, for instance, the Houthi rebels are opposed to the Yemeni government, resulting in a catastrophic humanitarian disaster. The rivalry caused tensions, making it difficult for the government to reachable solutions. It also destabilizes diplomacy by instilling distrust and reducing interest to engage in negotiations. Civilians are subjected to violence, a lack of basic necessities, and insufficient access to food and medical treatment. Economic impacts include destruction of infrastructure, high unemployment, poverty, trade problems, and the potential disruption of global energy sources. Political fragmentation within countries is another key issue that makes establishing unified governance institutions and addressing economic challenges difficult.

Geopolitical tensions have been constraining Middle Eastern countries' efforts to diversify away from oil dependence. Trade connections, human capital development, technology transfer, and infrastructure projects are all affected by these tensions. Their rivalry has had a substantial impact on international investment and tourism in the Middle East, resulting in risk perception, economic disruption, legal and regulatory uncertainty, capital flight, and safety concerns that have

negative impact on the region's economic growth and development, resulting in decreased economic activity, unemployment, and poverty. Foreign investors are cautious to invest in risky industries like technology, tourism, and manufacturing. The region's lack of investment and spending by tourists also has an impact on sectors like hospitality, transportation, retail, and services, resulting in employment losses and delayed infrastructure development. Economic growth in the Middle East suffers by trade, disruptions, embargoes, and bans. Geopolitical conflicts also restrict human capital development by preventing the cross border educational and professional contacts. Development of infrastructure has been pushed back due to concerns about the future stability and financing sources. The region's insecurity prolongs economic uncertainty, harming both investors and tourists. The region's lack of investment and visitor spending restrict overall economic development and business growth. Governments also prioritize security and defense spending diversification, restricting the possibility for growth. Geopolitical conflicts also have an impact on global perceptions, making it difficult to create a positive image that supports economic diversity. In general, US-Iran rivalry has a crippling impact on the Middle East aggravating existing issues while creating the new one. The region is currently dealing with the political insecurity, humanitarian crisis, economic issues, growing terrorism and the escalation of regional conflicts all of which are having far reaching implications.

#### **Effect on their national militaries**

The rivalry between US-Iran has had a substantial impact on the national economy of both countries in respect to military spending, defense strategies, and allocation of resources. Both countries have increased their military spending and strategic planning, which has an impact on their economic priorities and resources.

The world's largest economy and highest spender on defense both belong to the United States. In 2022, the US allotted approximately \$766 billion to its defense budget, which is more than a third of all military spending worldwide (approximately for over 40% of global military spending) (Rao, July 12, 2023). This enables the United States to maintain a powerful military force, worldwide strong presence, and most importantly invest in advanced technologies and weapons. The US military's presence in the Middle East has been driven by geopolitical, security, and economic factors. Its primary concern is Iran's influence in the region, which has led to conflict and power struggles. The United States maintains troops in countries that share its interests, maintaining the free flow of oil and avoiding disruptions to the global energy market. Because the Middle East is a center of terrorist activity, the presence also supports

counterterrorism activities. The US maintained a naval presence in the Persian Gulf to protect the routes of shipping and deter prospective aggressors and the US also has a military alliance with countries such as Saudi Arabia, Israel, and the Gulf States, and serves as a deterrent to regional hostilities. The presence has been a subject of contention, with some claiming it contributes to regional stability and security while others are accusing it of being a source of dispute. The pentagon is authorized in the FY 2019 budget to establish a Counter-Iran plan, which includes revitalizing US allies, enhancing military pressure on Iran's proxy network. This cooperation however, does not authorize military action against Iran. In addition, the US is balancing Iranian pressure by aiding the Lebanese military and warning of potential infiltration by Iran's Revolutionary Guards Cops (Macaron, Aug 24,2018).

The necessity to confront prospective Iranian threats has fueled US defense spending and investments in advanced military technologies. Iran has developed and tested a variety of ballistic missiles, prompting fears of regional missile attacks. To safeguard its forces and allies, the US has substantially invested in missile defense systems such as the Patriot Missile System and Aegis Ballistic Missile Defense (BMD). Cyber capabilities have also been created to protect crucial infrastructure and sensitive data from cyber-attacks. Advanced military technology, such as stealth aircraft, precision-guided missiles, and space assets, have been created to give the United States a qualitative advantage and improve its ability to respond to prospective threats. The whole defense budget is allocated for equipment maintenance and modernization, research and development, and maintaining a forward presence in the Middle East. According to new data from the Stockholm International Peace Research Institute (SIPRI). Defence spending in the United States climbed by \$71 billion between 2021 and 2022, owing in part to military aid supplied to Ukraine in support of its protracted conflict<sup>1</sup>.

However, defense spending increased by more than 30% between 2016 and 2018. Iran's defense budget has increased and fluctuated throughout the years, with estimates ranging from \$18.4 billion in 2019 to \$20.7 billion in 2020. The level of spending has been strongly related to the extent of US and international sanctions. Iran reduced defense spending in 2019 due to sanctions, but it is increased to \$20.5 billion in 2020. Yet, the Iranian military's several wings have extra resources. The Islamic Revolutionary Guard Corps (IRGC) also makes money from private companies while helping in the avoidance of US sanctions in International trade (Rome, June 17,2020). Iran's UN arms embargo expires in October 2020, allowing it to obtain spare parts for upgrading military armaments and export locally built

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<sup>1</sup> <https://www.pgpf.org/blog/2023/04/the-united-states-spends-more-on-defense-than-the-next-10-countries->

arms abroad. However, Iran's economy remains crippled by US sanctions. The Trump administration has warned that any military sales to Iran or exports from Iran will be sanctioned. Iran spent more than \$13 billion on military expenditures in 2018, ranking 18<sup>th</sup> in the world. SIPRI found that Iran's military spending fell by around 9.5% in comparison to 2017, owing to economic concerns, a drop in the country's GDP, and erratically high inflation (Nan Tian, April 2019).

Iran's asymmetric warfare strategy, which includes its ballistic missile development, tries to compensate for its conventional military weaknesses in comparison to the United States. These missiles can project force and deter potential rivals, posing a threat to US military assets and partners in the Middle East. Iran sees these weapons as a deterrence to potential US or ally military intervention. It also utilizes its missile program to further its regional influence, supplying advanced equipment to proxy militias and friends in countries such as Lebanon and Yemen. This permits Iran to preserve plausible deniability, making it harder to hold Iran accountable to the international community. Iran's missile capabilities, on the other hand, contribute to regional instability, raising tensions and generating responses from other regional countries. Iran also utilizes its missile development as a bargaining chip in order to get concessions or reduce sanctions.

In summary, the US-Iran rivalry has major implications for both nations' national economy, particularly in terms of military spending, defense sector development, and resource allocation. While military spending can result in technological improvements and certain economic gains, they also have trade-offs because resources are diverted from other areas that directly contribute to long-term economic growth and human development. Balancing defense goals and economic wellbeing is a difficult problem for both countries to overcome.

### **Iran's regional policies and alliances**

Iran has sought to promote itself as a significant cultural, political, and economic link between the Middle East and Asia. Iran has been encircled by crises in the neighboring countries. While these crises have given Iran the opportunity to form significant alliances with the new governments in neighboring states. The United States, whose relations with Iran deteriorated following the 1979 Islamic Revolution, has been the region's dominant external power for the past two decades. A variety of internal and domestic factors influenced Iran's regional strategy. External factors have primarily followed regional patterns and are frequently sparked by external powers' military intervention and/or control of neighboring countries. And the Internal factors creating the country's regional strategies have followed the government changes (Bazoobandi, 2014).

Geopolitical, ideological and security factors all influence Iran's regional policy and alliances. The Axis of Resistance includes states and groups opposed to US and Israeli power in the Middle East, including Syria, Iran, Shia militias in Iraq and Yemen and Hezbollah in Iraq. Iran's fundamental goal is to challenge Western and Israeli hegemony. Iran considers itself as a protector of Shia Muslims internationally, and its support for these communities is key to its foreign policy.

Despite economic hardships and sanctions, Iran provides military aid and oil supplies to its proxies in Lebanon, Iraq, Yemen, and Gaza. Through its proxies, Iran aims to increase its political and military dominance in the area. Iran plans to strengthen connections with parties in Iraq and Lebanon while remaining in Syria and helping the Houthis in Yemen. However, Iran faces difficulties in realizing its ambitions due to economic hardships in Lebanon and Iraq, political crisis in Baghdad, and pro-Iranian groups considering internal issues that do not align with Iranian interests. The Iranian imprint is a key component of regional conflicts and countries impacted by Iranian proxies and confronting internal economic and political issues (Shine, 25 April, 2023).

For more than three decades, Iran and Saudi Arabia have been regional rivals, with tensions dating back to the 1979 Iranian Revolution. In 2015, tensions remained high after Saudi Arabia reverted to a hardline foreign policy stance, and the Arab spring in 2011 further worsened the issue. In 2013, Iran attempted to repair relations with Saudi Arabia, but the two countries fought over regional issues, particularly in Syria and Yemen. Tensions increased after Saudi Arabia objected to Iran's nuclear and ballistic missile advancements, and in 2019 Riyadh blamed Iran for a drone and cruise missile strike on two major Saudi oil sites. In 2021, sporadic talks were mediated by Iraq and Oman, but failed to reach any kind of Agreement. In March 2023, both countries decided to reestablish diplomatic connections, reopening embassies in Tehran and Riyadh, and conducting a security cooperation deal as well as a 1998 pact to boost cooperation in trade, investment, technology and culture (The Iran Primer, 2023).

Finally, Iran officially reopened its embassy in Saudi Arabia in June, and Iranian state media claimed earlier this month that the Kingdom's embassy had resumed operations in Tehran. Its new ambassador, Alireza Enayati, arrived to Riyadh with Amir-Abdollahian said that, "We look forward to a new phase in our relationship based on our Islamic brotherhood and working towards common interests (ALJAZEERA, 2023)," Prince Faisal said, adding that he was pleased that Iran had supported Riyadh's proposal to host Expo 2030. Prince Faisal also confirmed the resumption of operations at the Saudi embassy in Tehran, which he



described as "another step in the development of relations between the two countries<sup>2</sup>."

Over the last decades, the relationship between Iran and the UAE has shifted dramatically. Prior to the imposing of strong nuclear sanctions on Iran by Barack Obama administration (2009-17), the UAE was the Iranian economy's window to the rest of the world. UAE, home to half a million Iranian immigrants, was significant for trade with the Islamic republic. Emirati re-exports to Iran exceeded Iranian imports from China, Germany and Russia (Anwaj.media, 2023). Even when diplomatic and security relations were strained, the UAE maintained trade and people-to-people ties with Iran. In fact, the UAE was Iran's biggest trade partner from March 21, 2022 to January 20, 2023, with 20.27 million tons of commodities traded valued at \$19.77 billion. This is more than double the amount of trade Iran had with Iraq during the same year (\$9.08 billion), a country widely regarded as Tehran's closest Arab ally (Baharoon, 2023).

Because Turkey's energy needs Iran's large oil and natural gas resources, Turkish-Iranian cooperation has grown dramatically over the last decade. However, historically, the two countries have been rivals rather than close friends, with their interests at odds in numerous places across the Middle East. The Arab Spring has raised the political and ideological rivalry between Turkey and Iran. Turkey's support for Syrian president Bashar-al-Assad's opponents has contributed to strained relations. The fall of authoritarian regimes in Tunisia, Libya, and Egypt, as well as uprisings in Syria, Yemen, and Bahrain has weakened the Middle East's political order. The sectarian conflict between Shia and Sunni has sparked violence in Turkey and Iran, potentially destabilizing the region. The Kurdish issue has increased tensions between both countries, as Turkey suspects Syria and Iran support the Kurdistan Workers Party. The Assad regime's control over Kurdish areas has weakened, causing Turkish concerns about increasing autonomy (F. Stephen Larrabee, 2013).

Iran's regional policies and alliances are complex, influenced by security concerns, ideology, and geopolitical objectives. These acts continue to affect the dynamics of the Middle East and have global ramifications. Iran's stance led to a range of regional reactions, with some states forming alliances against it and others aligning with its goals. As a result, these policies have contributed to the establishment of social coalitions based on sectarianism, ethnicity, and anti-Israel emotions, further complicating the Middle Eastern scene.

### Regional responses and social coalitions

<sup>2</sup> <https://www.aljazeera.com/news/2023/8/17/iran-fm-in-saudi-arabia-says-relations-on-the-right-track>

Iran's regional policies have been strongly opposed by Saudi Arabia and some of the Gulf states, who see them as a threat to their interests and regional stability. This resistance is influenced by the sectarian difference between Sunni-majority countries and Shia-majority countries. But more recently, Iran's foreign minister said after meeting with his Saudi counterpart in Riyadh that the two regional powers are making progress in restoring ties, as the two are seeking to overcome previous antagonism and increase collaboration. Relationships between Iran and Saudi Arabia are on the right track. According to Anna Jacobs, senior Gulf analyst for International Crisis Group, the visits and reopening of embassies are "important confidence building measures." But the Saudi-Iran rapprochement is still in its early stages, and it's unclear how the two sides will address their numerous points of friction. "resuming diplomatic ties and engaging in more dialogue is a good start, but it's unclear whether this will be enough to resolve their relationship's long standing issues<sup>3</sup>." For years, Iran and Saudi Arabia have backed opposite parties in crisis zones across the Middle East, notably Yemen, where Riyadh assembled an international coalition in 2015 against Iran-backed Houthi rebels who had deposed the internationally recognized government the previous year.

Israel's response to Iran is influenced by geopolitical tensions and security concerns. Iran's support for anti-Israel groups, particularly Hezbollah in Lebanon, and its nuclear program causes concerns for Israel. To sabotage Iran's nuclear program, Israel has used undercover activities such as cyberattacks and assassinations of Iranian nuclear scientists. It has also conducted airstrikes against Iranian-linked assets and militias, frequently in Syria. In addition, Israel has engaged in diplomatic attempts to counter Iran's influence, seeking international assistance, cultivating security ties with regional states, and investing extensively in domestic security infrastructure. Deep-seated animosity and geopolitical tensions characterize Israel-Iran relations, with the situation constantly fluid and shifting due to regional developments. Foreign Minister Eli Cohen during an interview with i24NEWS published on Feb. 21, 2023: "Israel will take any needed steps to prevent Iran from having a nuclear weapon. Iran is the number one country that finances terrorism worldwide (Cohen, 2023)."

"The [United States] and relevant European countries will force snapback [sanctions] on Iran before the UN General Assembly in September [2023]."

"Israel will use any option, including attacking Iran, to prevent them from having a nuclear weapon. But it's also important that the U.S. and other countries put

<sup>3</sup> <https://www.aljazeera.com/news/2023/8/17/iran-fm-in-saudi-arabia-says-relations-on-the-right-track>

their credible military threats on the table. Iran is like a cancer. It is a threat to the stability not just of the region but of the entire world.”

“It’s not just the problem of Israel, it’s the problem of the world. It’s the right time to take the relevant steps immediately (Cohen, 2023).”

The involvement of Iran in Iraq and Syria has resulted in complicated connections defined by social and sectarian forces. Since the fall of Saddam Hussein’s dictatorship in 2003, Iran has been deeply involved in Iraqi politics. Iran sponsors and trains paramilitary forces connected with more than a dozen of Iraqi political parties. Iran’s assistance for Shia militias, political groups, and religious figures in Iraq has also increased its influence, deepening connections with the Shia community while escalating sectarian tensions with the Sunni minority. Both countries have relations that go far beyond politics and are strongly based in shared features such as religion, culture and geography. In Sep, 2021 as former Iraqi President Barham Salih aptly stated in CFR event: “You simply cannot move Iraq and Iran apart,” (Salih, 2021). The two countries’ unbreakable ties are significant and multifaceted. The two countries also have strong trade connections; in 2021, Iraq was Iran’s second-largest import partner after China. The countries also share water resources, which might become a cause of contention if the effects of climate change and Iranian dam development reduce water available to Iraqis downstream (Robinson, 2022).

Throughout the Syrian civil war, Iran has emerged as a prominent foreign influence in the region’s most brutal and catastrophic conflict. Regardless of its atrocities, Tehran is using its financial, military, and economic resources to prop up Syrian President Bashar al-Assad’s dictatorship. Iran has built a significant footprint in Syria half a decade into the conflict, becoming an undeniable component of any possible post-war situation. According to Human Right Watch reports, the living situation in Syria is getting worse, with 90% of the population living below the poverty line and 12.4 million Syrians facing food insecurity. Concerns over Iran’s influence in Syria are growing stronger with demonstrators calling for the complete removal of Iranian forces from the nation (Newsroom, Iran International Newsroom, 2023). Iran’s regional policies and alliances caused geopolitical responses and sociological consequences, with some countries opposing Iran due to concerns about its regional activities, while others ally with it due to common interests or ideological affinities. As a result, the Middle East’s complex geography has become more complex, with multiple groups and states navigating alliances and rivalries.

### **Global community perspectives**

The rivalry between Iran and the USA has been a long-standing and complex issue. Their conflict has

been a source of International concern, and various international organizations responding in a variety of ways. This rivalry that exists in the Middle East stems from historical events, ideological divisions and conflicting objectives. The EU has expressed concern over rising tensions between US and Iran, emphasizing the potential detrimental effects of military conflict on global security, stability and terrorism. European countries responded to their rivalry with a combination of caution, censure, and they made some efforts to promote diplomacy. They support the 2015 Iran nuclear deal, JCPA and have worked hard to keep it in place despite the US withdrawal in 2018. The EU established an INSTEX to protect European companies and maintain economic links with Iran. But its implementation is complicated by impending US penalties. The EU urges both parties to de-escalate tensions and engage in talks, as well as for Iran to return to full compliance with the accord. The EU actively mediated between the US and Iran, expressing alarm over rising tension and urging for peaceful solutions (Schwarz, 2019).

The assassination of General Qassem Soleimani in January 2020, marked a significant escalation in this conflict, ordered by the US President Donald trump. He was killed in a pre-dawn US air raid at the Baghdad international airport. Soleimani was the chief of Iran’s elite Revolutionary Guard Corps (IRGC) Quds Force, he was also a significant figure in Iran’s military establishment, and he was well known for his involvement in influencing Iran’s regional policies. His killing was viewed as a setback for Iran, sparking widespread outrage and calls for retribution. In this context, UN Secretary General Antonio Guterres has repeatedly urged the US and Iran for restraint and engage in dialogues (United Nations News, 2020). He recognizes the possibility of further escalation and disastrous not only for the two countries but also for regional stability. Guterres emphasizes the importance of de-escalation in order to avoid a larger confrontation that would further destabilize an already volatile region.

Regional and global leaders have primarily expressed terror that the US assassination of Soleimani could spark a severe escalation in the region possibly leading to war. The Turkish foreign ministry is concerned by the assassination of the Iranian leader, mentioning that it will only increase regional insecurity and instability. Moscow expresses condolences to the Iranian people and warns that Soleimani’s assassination could worsen Middle East tensions. China has urged the US to stay calm and exercise restraint to avoid further escalation of hostilities. While Israel Prime Minister Benjamin Netanyahu has stated that the US has the right to protect itself. The Palestinian that governs Gaza, Hamas condemns American crimes and expresses sorrow to the Iranian people. Following the murder of Qassem Soleimani, British Secretary of State Dominic Raab and French Secretary of State for European Affairs Amelie de Montchalin have urged all parties to de-escalate

tensions between the US and Iran. They also emphasized the necessity of stabilizing the Middle East and consulting with regional actors (ALJAZEERA, 2020).

ASEAN (Association of Southeast Asian Nations) generally maintains a policy of neutrality and non-interference in other regions' geopolitical disputes, notably the US-Iran rivalry. They do, however, play a role in influencing regional dynamics and can have indirect impact on the US-Iran conflict in numerous ways. Some ASEAN countries have trade relations with both the US and Iran. They may do trade with both countries and make investments in numerous sectors. These economic ties have an indirect impact on the regional balance of power and interests. They have a long history of diplomacy and conflict resolution. While not directly participating in the US-Iran rivalry, some member states or ASEAN as a whole use diplomatic channels to promote dialogue and de-escalation in the Middle East. In addition, some countries are large consumers of oil and gas, both of which are important commodities in the US-Iran conflict. Any disruption in the global energy supply chain caused by the Middle Eastern crisis has an influence on ASEAN countries' energy security and economic stability. These countries contribute to Southeast Asia's region's stability. The stability of this region is very essential for global trade and any major disturbance in the region may have indirect impact on the USA and its interest in the Indo-pacific region (Asia Society, n.d.). While they generally pursue a policy of neutrality, they also want to maintain good relations with big powers such as the United States, China and Russia. Their alignment or balancing act in ties with these big states can indirectly influence their stance on the US-Iran rivalry problems. ASEAN does not have a common point of view as an organization, and individual member states have different opinions and interests.

BRICS (Brazil, Russia, India, China and South Africa) primarily deal with economic cooperation, political discourse, and collectively addressing global perspectives. However, its role in the US-Iran rivalry might be limited, because BRICS does not engage actively in mediating or resolving specific issues between nations. Nonetheless, there are various indirect ways in which the US-Iran conflict influenced. These countries have economic interests, as well as their goal is to balance their economic connections with both the United States and Iran, possibly by avoiding taking sides in order to protect their economic interests. For instance, China and India are major buyers of Iranian Oil and have strong economic links with the US (RFE/RL, 2018). The BRICS countries, particularly China and Russia, hold diplomatic and political power on a worldwide level. And of course, Iran is an important player in the global energy market, and specifically China and India rely on Iranian oil and gas imports to meet their energy needs. These countries have a vested interest in ensuring that

Middle Eastern tension, notably those involving Iran do not interrupt their energy supplies.

Iran's membership in BRICS might open up opportunities for Tehran's foreign policy and economic strategy, cementing the emerging geopolitical paradigm of a multipolar world in which nations such as Russia, China, India seek to counterweight Western power. The 15<sup>th</sup> BRICS summit concluded efficiently on August 23<sup>rd</sup>, 2023. Without a doubt, Tehran has demonstrated unexpected endurance, establishing a capacity to constructively use the Islamic Republic's unique set of circumstances, including isolation created by international sanctions. Joining the BRICS group, might allow Tehran to avoid economic sanctions and participate in global growth. Iran on the other hand, poses a huge potential for the BRICS.

Europe has long been interested in the Islamic republic because of its tremendous unfulfilled potential, but has been unable to access it due to sanctions. Iran boasts the world's second largest gas reserves and is rich in oil. It has borders with 13 countries and as well as international transit pathways. Its strong support for multilateralism. Its focus on increasing production and trade, as well as strengthening economic links with regional actors despite ideological or political differences, demonstrated that the country may be a deserving candidate for the bloc and help to balance the Group of Seven (G7) sphere of influence. Saudi Arabia, the BRICS countries' first economic partner, is considering joining the New Development Bank (NDB). The normalization of relations between Riyadh and Tehran, together with Beijing's investment, will strengthen the BRICS bloc's success, minimize disputes, and boost Iran's worldwide position. Growing economic links are going to improve the stability of the region (Boltuc, 2023).

## CONCLUSION OF US-IRAN RELATIONS

The rivalry between the US and Iran has left an indelible impression on the Middle East, molding its political landscape, affecting economies and influencing military dynamics. The historical context of US intervention, the seismic chaos brought about by the Iranian Revolution, and strategic maneuvering between these two states have all led to regional instability and uncertainty. Iran, on the other hand, has swiftly worked to establish diplomatic and economic relations with countries around the world, despite US sanctions and international isolation. Its diplomatic effort has been motivated by a desire to diversify its international ties and decrease its economic dependence on the west. Notably, Iran has built up relations with countries such as China and Russia, both of which have strategic interests in the region and have supplied economic lifelines to Iran.

There is rising uncertainty about the United States future position in the Gulf, including the amount of its forward deployed military, involvement in Iraq and Syria, and level of commitment to its Arab strategic partners. So far, the US has maintained substantial forward deployed forces and has sent reinforcements to its Arab partners whenever a new skirmish or conflict occurs in the Middle east. The United States future role in battling extremist factors, countering Iranian influence in Iraq, and protecting Arab States remains unclear, as is the US's strategic priority on preserving the secure flow of Gulf petroleum exports.

### **Prospects for regional peace and cooperation**

Iran's membership to the SCO represents a significant step forward in the direction of Middle East regional integration and cooperation, as well as efforts to address security issues. At the end of SCO Council of Heads of State's 23<sup>rd</sup> summit, Iran received full membership in the Shanghai Cooperation (SCO). He became the ninth member of SCO (Lipin, 2023). Iran's active participation in the SCO puts it as a significant participant in defining the Middle East's geopolitical dynamics, highlighting the growing importance of regional cooperation in global affairs. By joining the organization, Iran makes a substantial contribution to improving Middle East connectivity, fostering economic cooperation, and confronting regional security challenges. And this platform allows Iran to use its strategic location, resources, and cultural legacy to help the organization achieve its goals of stability, growth and shared prosperity. The membership comes as Iran seeks stronger ties with Russia, China, and Central Asia to evade international isolation and sanctions imposed by the US and Europe. According to the official Islamic Republic News Agency, Iran's non-oil trade with SCO member states increased 31% to more than \$17 billion from March to August of last year (Lucente, 2023).

Recognizing these factors, its membership signifies an important turning point for the Middle Eastern region. It promotes Beijing, Moscow and Tehran's narrative that a multipolar world with varied countries, organizations and projects can thrive, challenging what they perceive as a single power's typical dominance and control. As Iran accepts its role in the SCO, it positions itself as a vital player in defining the Middle East's future, charting its path towards a more connected and balanced world order.

Iran was one of the countries to officially recognize Qatar's independence. The statement of recognition of the State of Qatar and the creation of relations between the two countries was released one month after independence. The first Iranian ambassador presented his credentials to Qatar's Emir in 1972, and the first Qatari ambassador arrived in Iran in 1973. Neighborhood and the Islamic religion are major factors in developing relationships between the Iranian people, particularly those in southern Iran, and the Qataris in

particular. As a result, the Iranians played an integral part in Qatar's economic development and reconstruction. The discovery of oil in Qatar in the 1940s increased the rate of migration of people from southern Iranian cities and ports to Qatar. Unlike several other GCC countries, Qatar has a small Shia community, with Sunnis constituting roughly 90% of the population. As a result, Doha sees Tehran's alleged attempt to promote sectarianism in the area as less of a concern than some of its GCC partners do. Qatar sees relations with Iran to be important to its economic and security interests. Qatar's ties with Iran are essential in maintaining its natural resources because the two countries share the world's largest gas field, North Dome/South Pars. Thus Qatar in 2007, invited then Iranian President Mahmoud Ahmadinejad to the 28<sup>th</sup> Gulf Cooperation Council summit in Doha. Furthermore, Doha and Tehran signed a security agreement in 2010 to combat terrorism and improve security cooperation (because of the GCC's concerns about working with Tehran, the agreement was essentially symbolic) (Baabood, 2018).

Iran backed Qatar in mid-2017, after Saudi Arabia and its allies imposed an embargo on Qatar over its relations with Islamist groups and with non-Arab Turkey and Iran. The June 2017 embargo on Qatar gave Iran a chance to push a wedge between GCC members. Tehran backed Doha in the conflict, by offering alternatives for embargoed food exports. Iran also allowed Qatari aircraft and ships to fly across Iranian territory, allowing them to avoid a united Saudi, Emirati, and Bahraini blockade. In July 2017, a trade agreement was signed between them, and the following month Qatar resumed full diplomatic relations with Iran. Several agreements were made between them last year during Iranian President Ebrahim Raisi's visit to Doha to attend the Gas Exporting Countries Forum. Raisi's visit to Qatar was the first by an Iranian president in 11 years (Newsroom, Iran International, 2022).

The current ongoing cooperation between two countries. In February 2022, Iranian President Ebrahim Raisi visited Qatar for a number of bilateral agreements. The two countries agreed to work together on trade, investment, energy, and security. In April 2022, Iran market leader made a number of treaties with Qatar in the hopes of hosting fans of the men's football World Cup (Mehdi, 2022), which will be held in the neighboring country later this year. In May 2022, Qatar's Foreign Minister Sheikh Mohammed bin Abdurrahman Al-Thani visited Iran and met with Iranian Foreign Minister Hossein Amir-Abdollahian. The two ministers negotiate in various ways for further ties the bilateral relations between these two countries.

## **POLICY RECOMMENDATIONS**

1. Make diplomatic channels for communication and dispute resolution a top priority. Maintain and increase direct conversations or negotiations



- between the United States and Iran, as well as multilateral platforms as needed.
2. Build a regional crisis management and de-escalation framework. Encourage US-Iran confidence-building measures and crisis communication to avoid unintentional clashes.
  3. Use diplomacy to resolve proxy wars such as those in Yemen and Syria. Encourage peaceful outcomes through discussions and dialogue, minimizing the impact of regional proxy warfare.
  4. Encourage regional multilateral organizations and activities that promote conversation and cooperation among Middle Eastern countries. Encourage regional players to take responsibility for regional security.
  5. Encourage constructive public diplomacy efforts on all sides to address disinformation and hostile rhetoric. Encourage interpersonal discussion to foster understanding and eliminate resentment.
  6. When required, use international mediator and third-party facilitation to bridge gaps and establish confidence between the US and Iran. The engagement of impartial parties can assist in overcoming negotiation problems.
  7. Work with US regional allies such as Saudi Arabia and Israel to ensure they support diplomatic efforts and regional stability. Seek to connect interests and encourage collaboration.
  8. Recognize that settling US-Iran conflict may take time. Maintain consistent participation while avoiding abrupt changes that jeopardize development.

### Key Findings

- One of the most enduring confrontations in the world is the one between the US and Iran. Its roots may be found in the 1950s, when a coup d'état by the US and UK led to the removal of Iran's democratically elected Prime Minister Mohammad Mosaddegh. Since then, the two nations have taken different sides in a number of regional wars, such as the Iran-Iraq war and the Syrian Civil War.
- The Middle East's peace and stability had suffered as a result of the US-Iran rivalry. It has led to the escalation of proxy conflicts, terrorism, and regional instability.
- The two nations have often been on the verge of war. In 2012, the US and Israel came dangerously close to attacking Iran's nuclear facilities with airstrikes. General Qassem Soleimani of Iran was killed by the US in 2020 which prompted Iran to strike US military bases in Iraq in retaliation.
- The conflict between the US and Iran cannot be solved easily. However, other analysts think that if the two nations agreed to a nuclear agreement and reduced their support for proxy organizations in the area, they would be able to come to a détente.

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