“There are few nations in the world with which the United States has less reason to quarrel or more compatible interests than Iran. ... There is no American geopolitical motivation for hostility between Iran and the United States. ... Iran is destined to play a vital – in some circumstances, decisive – role in the [Persian] Gulf and in the Islamic world. A prudent American government needs no instruction on the desirability of improving relations with Iran.”

Henry A. Kissinger, Does American Need a Foreign Policy? 636

6. Chapter Six: International Relations

As described in the previous chapters, Iranian political institutions, and thus domestic politics, both influence and are influenced by international relations.

Particularly in regards to the integration of the Iranian natural gas market do external relations need to be considered. As energy projects have long lead times and run over longer periods (10-20 years), they create dependencies in the international context that need to be considered. A further aspect specifically impacting Iran’s ability to develop and export natural gas to foreign markets are international sanctions. Sanctions are the most critical variable in Iran’s ability to become a major natural gas superpower, as they influence all spheres of the four I’s (Institutions, Infrastructure, International Relations and Investment).

6.1 The Story of International Sanctions against Iran

The history of economic sanctions against Iran begins with the early days of the Islamic Revolution in 1979. What became known as the 444-day hostage crisis triggered the first US economic sanction against Iran on November 14, 1979. Since then, Iran’s relations with the US have been strained, despite some rapprochement during Rafsanjani’s and Khatami’s presidencies. But since the early 2000s, relations have deteriorated and Iran has increasingly isolated itself from the world, both politically and economically. Political relations between the two states reached its lowest point in 2002 when President George W. Bush labeled Iran, along with Iraq and N. Korea, as the “axis of evil”.

Since the mid-2000s, the US has led a coalition with its European allies to push for additional multilateral sanctions against Iran. The key issue is Iran’s nuclear program and international concerns that the country is seeking to acquire nuclear weapons. In addition, terrorism sponsorship, its missile program, and threats against Israel have been cited by US officials as the justification of the imposed

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637 Sanctions are defined here as: An attempt on the part of one nation or group of nations (the sanctioner) to induce a nation or a group of nations (the target) to comply with a demand by interrupting or threatening to interrupt trade between the two nations or group of nations.

638 See also Heradstveit, Daniel and Matthew G. Bonham (2007), "What the Axis of Evil Metaphor Did to Iran."Review of The Middle East Journal no. 61 (3).