

# U.S.-Iran Relations: The Role of Think Tanks, Economy, and Iranian Politics

## A Personal Multi-dimensional Reflection

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### Article History

Received: 06 / 05 / 2025

Accepted: 21 / 05 / 2025

Published: 25 / 05 / 2025

**Abstract:** *This paper explores the intricate dynamics of U.S.-Iran relations through the lenses of think tanks, economic factors, and the political landscape within Iran. It examines how various think tanks in the United States influence policy decisions regarding Iran, shaping public discourse and government strategies. The analysis highlights the impact of economic sanctions and trade relations on bilateral ties, emphasizing how economic considerations often intersect with geopolitical interests. Furthermore, the paper delves into the internal political structures of Iran, assessing how domestic politics and leadership changes affect Iran's foreign policy and its interactions with the U.S. By synthesizing these elements, the study aims to provide a comprehensive understanding of the multifaceted relationship between the two nations and the implications for future diplomatic efforts.*

**Keywords:** *Think Tanks, Political Structures, Economy, Finance and Politics, Multilateralism.*

**Cite this article:** Niafar, M., (2025). U.S.-Iran Relations: The Role of Think Tanks, Economy, and Iranian Politics A Personal Multi-dimensional Reflection. *MRS Journal of Accounting and Business Management*, 2 (5),25-29.

## Introduction

As U.S.-Iran relations continue to evolve, the influence of think tanks emerges as a significant factor shaping policy decisions on both sides. These institutions not only provide intellectual frameworks and policy recommendations but also reflect the broader geopolitical interests at play, particularly in the context of the Middle East's complex dynamics. For instance, the varying strategies employed by different U.S. administrations—from engagement to sanctions (Dehnavi & Jamal, 2020)—illustrate how think tanks can sway the direction of foreign policy by aligning with specific political agendas and lobbying efforts, thus impacting economic relations and regional stability (Dehnavi et al., 2024). Moreover, the interplay between Iranian domestic politics and external pressures further complicates this relationship, as internal factions may respond differently to U.S. actions, ultimately influencing Iran's foreign policy stance and its interactions with American interests.

## Historical Context of U.S.-Iran Relations

### Pre-Revolution Relations

The relationship between the Shah of Iran, Mohammad Reza Pahlavi, and the United States was characterized by a strategic partnership that emerged during the Cold War. Following World War II, the U.S. viewed Iran as a crucial ally in the Middle East, particularly in the context of containing Soviet influence (AL-RUBAIE, 2022). This partnership was solidified in 1953

when the CIA orchestrated a coup to overthrow Prime Minister Mohammad Mossadegh, who had nationalized the oil industry (Abrahamian, 2021). The Shah's subsequent reign was marked by significant American support, both militarily and economically, as the U.S. provided military equipment and financial aid to bolster the Shah's regime. (The Collapse Narrative, 2022)

In return, the Shah aligned Iran with U.S. interests, allowing for the establishment of military bases and the facilitation of oil exports to the West. This strategic partnership was also framed by shared concerns over regional stability and the spread of communism, but this relation was not always on the same track, eye-catching oil revenues of 1965-1967 helped the Pahlavi dynasty to take a more independent position against the Americans, this strategic position was also accompanied by a sense of deviation in relations that was empowered through the role of domestic pressure (Johns, 2007). Finally, the Shah's authoritarian rule and human rights abuses eventually led to widespread discontent, culminating in the Iranian Revolution of 1979, which dramatically shifted U.S.-Iran relations and ended the long-standing partnership

### Post-Revolution Dynamics of U.S.-Iran Relations

The post-revolution dynamics of U.S.-Iran relations have been characterized by a significant shift in the political landscape following the 1979 Iranian Revolution, which led to the overthrow of the Shah and the establishment of the Islamic Republic under Ayatollah Khomeini; from the beginning, there appeared a

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dualistic battle between the ideology of the “anti-western resistance” and the American Exceptionalism (Dehnavi & Fiedler, 2024). This transformation fundamentally altered the bilateral relationship, transitioning from one of strategic partnership to adversarial confrontation. (Dehnavi, 2024)

**Hostage Crisis:** One of the most pivotal events in the aftermath of the revolution was the U.S. Embassy hostage crisis in 1979, where 52 American diplomats and citizens were held hostage for 444 days. This incident not only solidified anti-American sentiment in Iran but also led to the severance of diplomatic ties and the imposition of economic sanctions by the U.S. (Dehnavi, 2020)

**Economic Sanctions:** In response to Iran's nuclear ambitions and support for groups deemed terrorist organizations by the U.S., a series of economic sanctions were implemented over the decades. These sanctions have had profound effects on Iran's economy, limiting its access to international markets and financial systems, while also influencing its foreign policy decisions. (Amuzegar, 1997)

**Geopolitical Rivalry:** The post-revolution period has seen Iran positioning itself as a counterbalance to U.S. influence in the Middle East. This has involved supporting proxy groups in Lebanon, Iraq, and Syria, and asserting its influence across the region. The U.S., in turn, has sought to contain Iran's influence through alliances with Gulf states and military presence in the region. (Naji & Jawan, 2011)

**Nuclear Negotiations:** The nuclear issue has been a focal point of U.S.-Iran relations in the post-revolution era. The negotiation of the Joint Comprehensive Plan of Action (JCPOA) in 2015 represented a significant diplomatic effort to curb Iran's nuclear program in exchange for sanctions relief. However, the U.S. withdrawal from the agreement in 2018 under the Trump administration reignited tensions and led to a series of confrontations. (Dehghani Firoozabadi et al., 2023)

**Internal Political Dynamics:** Iran's internal political landscape, marked by a struggle between reformists and hardliners, has also played a crucial role in shaping its foreign policy. Leadership changes and shifts in domestic politics often influence Iran's approach to the U.S., oscillating between engagement and hostility. (Davies, 2008)

**Current Trends:** As of late 2023, U.S.-Iran relations remain strained, with ongoing debates over nuclear negotiations, regional security, and economic sanctions. The role of think tanks in the U.S. continues to influence policy discussions, reflecting the complex interplay of domestic and international factors that define this multifaceted relationship. (Dehnavi, 2024)

In summary, the post-revolution dynamics of U.S.-Iran relations have been shaped by historical grievances, economic sanctions, geopolitical rivalries, and the internal political landscape of Iran, creating a challenging environment for diplomacy and cooperation.

## The Role of Think Tanks in Shaping Policy

### Overview of Influential Think Tanks

As U.S.-Iran relations continue to face significant challenges, the role of think tanks becomes increasingly critical in shaping public perception and policy discourse. These institutions not only provide analysis and recommendations but also engage in advocacy efforts that can sway political narratives, often utilizing

media platforms to amplify their messages. For instance, the Council on Foreign Relations and the Brookings Institution have been instrumental in framing discussions around Iran's nuclear ambitions and regional activities, thereby influencing both public opinion and legislative agendas in the U.S. (Wu, 2018). Furthermore, as the complexities of international relations evolve, think tanks must navigate an “epistemic crisis,” characterized by a growing skepticism towards expert opinions and information overload, which presents both challenges and opportunities for their advocacy work (Pautz, 2020). This dynamic underscores the importance of think tanks as not just policy advisors but as pivotal players in the broader context of U.S.-Iran relations, where their insights can significantly impact the trajectory of diplomatic efforts.

### Contributions to U.S.-Iran Relations

Moreover, the evolving role of technology and social media in shaping public discourse cannot be overlooked, as these platforms facilitate the rapid dissemination of information and opinions regarding U.S.-Iran relations (Duncombe, 2017). Think tanks are increasingly leveraging these tools to engage a broader audience, particularly younger demographics, who are often more attuned to digital communication than traditional media outlets. This shift not only enhances the visibility of their policy recommendations but also allows for a more nuanced dialogue around contentious issues, such as Iran's nuclear program and regional influence. As the U.S. grapples with its approach to Iran, the potential for grassroots movements to emerge from these digital engagements could further complicate or even reshape the policy landscape, reflecting a more diverse array of perspectives on both sides of the geopolitical divide (Mahasneh & Al-Mashaqbeh, 2023).

## Economic Factors in U.S.-Iran Relations

### Sanctions and Their Impact on U.S.-Iran Relations

Sanctions have been a pivotal tool in shaping U.S.-Iran relations, significantly influencing both economic conditions in Iran and the political dynamics within the country. The imposition of sanctions, primarily aimed at curbing Iran's nuclear program and its regional activities, has had far-reaching effects on the Iranian economy and its interactions with the United States; another new economic phenomenon is the departure of the elite scientists from the Iranian society, the sanctions and lack of opportunities have led to a new crisis in the population of the professional work labor that may result in a brain-drain phenomenon (Fiedler & Dehnavi, 2024)

### Economic Consequences:

- Sanctions have led to severe economic repercussions for Iran, including a sharp decline in oil exports, which are crucial to the Iranian economy. This decline has resulted in reduced government revenues, increased inflation, and a devaluation of the national currency. (“Identifying the Effects of Sanctions on the Iranian Economy Using Newspaper Coverage,” 2022)
- The restrictions on financial transactions have hindered Iran's ability to engage in international trade, further isolating it economically. The cumulative effect of these sanctions has contributed to widespread economic hardship, affecting the everyday lives of Iranian citizens; for instance, Iranian pharmaceutical firms encounter significant obstacles stemming from financial transaction

limitations and insurance barriers. These firms frequently provide upfront cash for imports, rendering the process risky and expensive. Consequently, this financial burden has intensified the scarcity of pharmaceuticals in the marketplace. (Cheraghali, 2013)

#### Political Ramifications:

- The economic strain from sanctions has significant implications for Iranian domestic politics. Hardliners often leverage the narrative of external threats to consolidate power, framing sanctions as an act of aggression by the U.S. and its allies. This can lead to increased nationalism and resistance against perceived foreign interference (Caba-Maria & Muşetescu, 2020).
- Conversely, moderate factions within Iran may advocate for engagement and negotiation with the U.S. to alleviate the economic pressures caused by sanctions. However, the internal political landscape is complex, and the response to sanctions can vary among different political groups, complicating Iran's foreign policy decisions. (Terhalle, 2015)

#### Impact on Diplomatic Efforts:

- Sanctions have also influenced diplomatic efforts between the U.S. and Iran. The prospect of lifting sanctions has been a critical point in negotiations, such as those surrounding the Joint Comprehensive Plan of Action (JCPOA). The interplay between sanctions relief and Iran's compliance with nuclear agreements remains a contentious issue in U.S.-Iran dialogues. (Dehnavi & Adami, 2022)
- The continued imposition of sanctions can undermine trust and complicate diplomatic relations, making it challenging to achieve long-term solutions to the underlying issues between the two nations. The economic sanctions imposed on Iran have not only strained its economy but have also shaped the political landscape, influencing internal power dynamics and foreign policy decisions (Majidi & Zarouni, 2020)

#### Regional Stability:

- The economic and political fallout from sanctions can extend beyond Iran's borders, affecting regional stability in the Middle East. Economic hardship may lead to increased unrest within Iran, potentially destabilizing the region as Iran navigates its foreign policy and relationships with neighboring countries. (Farzanegan, 2013)

#### Trade Relations and Economic Interdependence

Moreover, the evolving landscape of U.S.-Iran relations is further influenced by external geopolitical shifts and the role of international alliances, particularly in the context of the Middle East. As the United States navigates its foreign policy, the increasing influence of countries like China and Russia in Iran complicates the dynamics, as these nations often provide economic support and diplomatic backing that counterbalance U.S. sanctions and pressure tactics; at the same time, The U.S tries to distance the trade relations between Iran and China as two trade partners. (Ebrahimi, 2023) the growing trade relations between Iran and China, especially in the energy sector, illustrate how Iran has

sought to diversify its economic partnerships in response to American isolation (Bazoobandi, 2015). This strategic pivot not only impacts Iran's economic resilience but also reflects a broader trend of shifting alliances that could redefine regional power structures and influence future diplomatic negotiations. This evolution of trade relations underscores the necessity for the U.S. to reassess its approach to Iran, particularly in light of the changing geopolitical landscape and the potential for renewed dialogue. (Gallagher, 2005)

#### Iranian Politics and Its Influence on Relations

##### *Overview of the Iranian Political Structure*

The Iranian political structure is characterized by a unique blend of theocratic and democratic elements, shaped by the Islamic Revolution of 1979. Here's an overview of its key component

**Supreme Leader:** The supreme Leader is the highest authority in Iran, holding significant power over all branches of government, the military, and the media. The Supreme Leader is chosen by the Assembly of Experts and has the authority to appoint key officials, including the heads of the military and judiciary.

**President:** The President of Iran is elected by popular vote for a four-year term and is responsible for the executive branch of government. The President oversees the administration of government policies and is the face of Iran's domestic and foreign affairs, although their power is limited by the authority of the Supreme Leader.

**Islamic Consultative Assembly (Majlis):** This is Iran's legislative body, composed of representatives elected by the public. The Majlis is responsible for passing laws, approving the budget, and ratifying international treaties. However, all legislation must be approved by the Guardian Council.

**Guardian Council:** This body consists of twelve members, six of whom are appointed by the Supreme Leader and six by the judiciary. The Guardian Council has the power to vet candidates for elections and ensure that laws passed by the Majlis are under Islamic law and the constitution.

**Assembly of Experts:** This body is composed of elected clerics who have the responsibility of selecting and overseeing the Supreme Leader. Members serve eight-year terms and are tasked with ensuring that the Supreme Leader is fulfilling their duties.

**Judiciary:** The judiciary in Iran is independent but heavily influenced by the Islamic Republic's laws and principles. The head of the judiciary is appointed by the Supreme Leader and oversees the legal system, including courts and judges.

**Political Factions:** Iranian politics is marked by a struggle between various factions, primarily reformists, moderates, and hardliners. Reformists advocate for changes and greater engagement with the West, while hardliners often resist any form of compromise with external powers, emphasizing a more aggressive stance in foreign policy. (Wang, 2007) In this context, the intricate balance of power within Iran's political structure significantly influences its foreign policy decisions and interactions with the United States; in other words, the control of Iran's foreign policy remains a contentious issue. The debate is fueled by unclear constitutional guidelines and varied foreign policy approaches, which affect global and regional security. Research indicates that Iran's foreign policy is determined either through institutional

consensus, rivalry or that the *Supreme Leader Ayatollah Khamenei* is increasingly centralizing decision-making authority. (Bazoobandi et al., 2023)

**Basij and Revolutionary Guard:** The Basij is a paramilitary volunteer force, and the Islamic Revolutionary Guard Corps (IRGC) is a branch of the military responsible for protecting the Islamic regime. Both play a significant role in domestic politics and influence various aspects of Iranian society from the transitional period to the neo-radical Iran. (Sinkaya, 2015)

### Current State of U.S.-Iran Relations

As of 2025, U.S.-Iran Recent diplomatic efforts have taken place, notably with talks held in Oman aimed at de-escalating tensions and exploring pathways for renewed dialogue. These discussions have focused on several key issues, including Iran's nuclear program, the potential for sanctions relief, and regional security concerns (Ochim & Hassan, 2023). Oman has historically served as a mediator in U.S.-Iran relations, providing a neutral ground for both parties to engage in dialogue. (Zubair, 2017)

While these talks signify a willingness to communicate, significant hurdles remain. The U.S. continues to emphasize its commitment to preventing Iran from developing nuclear weapons, while Iran seeks relief from the economic sanctions that have severely impacted its economy. The interplay between these diplomatic efforts and the internal political factions within Iran—where hardliners often resist engagement with the U.S.—adds another layer of complexity to the negotiations. The Iranian Nuclear program is the peak topic of all these discussions, Iran's scientific knowledge and expertise in enriched uranium cannot be reversed; This poses an ongoing challenge to the non-proliferation objectives of the JCPOA and adds to the complexity of the negotiations from the American's perspective (“The Status of Negotiations over Iran's Nuclear Programme,” 2022)

### Future Outlook

The future of U.S.-Iran relations remains uncertain; the main reason for this uncertainty lies in the diversity of factors involved in shaping this relationship. The interplay between domestic politics, economic sanctions, and regional dynamics will continue to shape the trajectory of U.S.-Iran relations in the coming years, one of these important factors from a regional perspective is the Iranian dynamic proxy strategies that evolved over time and concerning external factors this dynamic evolution requires up to date studies and counter-mechanism from the U.S politicians to investigate new methods for future scenarios perhaps the key to this almost half a century conflict lead the way to the unravel the discords in the middle east (Fiedler & Dehnavi, 2024)

### Conclusion

The intricate relationship between the United States and Iran has been shaped by a multitude of factors, including the influence of think tanks, economic sanctions, and the evolving political landscape within Iran. As this paper illustrates, think tanks play a crucial role in shaping U.S. policy towards Iran, providing analysis and recommendations that reflect broader geopolitical interests. Economic sanctions have significantly impacted both nations, influencing Iran's economy and internal politics, while also complicating diplomatic efforts. Furthermore, the internal political dynamics of Iran, characterized by a struggle between reformists and hardliners, profoundly affect its foreign policy decisions and

interactions with the U.S. As the relationship continues to evolve, understanding these multifaceted elements will be essential for navigating future diplomatic efforts and addressing the ongoing challenges that define U.S.-Iran relations.

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