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The Ties that Bind

Iran and Hamas'

Principal-Agent Relationship

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Amy Thomson

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Abstract

The evolution of the Iran-Hamas relationship can be mapped using Principal-Agent analysis. It is a cost-benefit approach based on rational choice theory. In contrast to narrowly emphasising these actors' rhetoric, which is often used to mislead others, Principal-Agent analysis focuses on how these two actors react, or are perceived to react, to events to infer how their cost/benefit calculi change. This is in contrast to narrowly emphasising their rhetoric, which is often used to mislead others. The types of costs and benefits the actors receive from the relationship remain the same, although the changing geostrategic environment since the Iranian Revolution has increased and decreased their relative importance. For Iran, the relationship is most important for its ability to enhance legitimacy on the Arab Street, commit to retaliation, and plausibly deny responsibility helping to prevent conflict escalation with Israel. However, there are significant costs arising from the relationship for Iran because the effectiveness of Iran's control mechanisms is constrained by the influence of the Palestinian people over Hamas. Thus, when Palestinian preferences diverge from Iran's, the state's ability to control the organisation is limited. For Hamas, the funding and training it receives from the relationship are crucial. Despite this, the control mechanisms Iran attempts to place on Hamas can be damaging and contribute to divisions within the organisation when Palestinian preferences diverge from Iran's. Most of the time, however, the costs for Hamas are minor compared to other violent non-state actor/state Principal-Agent relationships.

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Abbreviations

ANO	Abu Nidal Organization
COG	Council of Guardians
IO	International Organisation
IR	International Relations
IRGC	Iranian Revolutionary Guard Corps
IRI	Islamic Republic of Iran
MB	Muslim Brotherhood
MOIS	Ministry of Intelligence and Security
OPT	Occupied Palestinian Territories
PA	Principal-Agent
PIJ	Palestinian Islamic Jihad
PKK	Kurdistan Workers' Party
PLO	Palestinian Liberation Organisation
PNA	Palestinian National Authority
SCAF	Supreme Council of the Armed Forces
SCIRI	Supreme Council of the Islamic Revolution in Iraq
SNSC	Supreme National Security Council
VNS	Violent Non-State Actor

Glossary of Non-English Terms

Alawite	Branch of Shia Islami
Artesh	Iranian regular armed forces
Bonyad organisations	Parastatal revolutionary foundations
Bonyad-e Mostazafan va Janbazan	Foundation for the disabled and oppressed
Bonyad Panzdah-e Khordad	15 th Khordad Foundation
Bonyad-e Shahid	Martyrs' Foundation
Faqīh	Supreme Leader of Iran
Fiqh	Theory of Islamic law
Hadith	The Prophet Muhammad's sayings
Harakat al-Muqawamah al-Islamiyya	Islamic Resistance Movement (Hamas)
Hudnah	Long-term truce (ceasefire)
Intifada	Uprising
'Izz ad-Din al-Qassam Brigades	Hamas' military wing (Qassam Brigades)
Majlis	Iranian parliament
Mostazafan Sabr	Oppressed Patience

Shari‘a	Islamic law
Shura	Consultation
Tahdi‘ah	Period of calm (less formal than hudnah)
Umma	Islamic community
Vilāyat-i faqīh	Rule of the jurist-consul
Waqf	Endowment
Zakat	Tithe

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