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The Ties that Bind

Iran and Hamas'

Principal-Agent Relationship

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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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1 Introduction

“Our intention has always been to stand by our Palestinian brothers, and whenever we gain power, we will join them in defending their rights like brothers standing as equals in the same line of battle as them...”¹ so said Ayatollah Rhuollah Khomeini in an interview with the Lebanese *Al-Nahar Daily* in late 1978, a few short months before the Iranian Revolution succeeded. Yet, after the revolution, relations with the Palestinian Liberation Organisation (PLO), known as the ‘sole legitimate representative of the Palestinian people’, deteriorated rapidly, becoming non-existent after the PLO supported Iraq during the Iran-Iraq war (1980-1988).² This rhetoric continued unabated throughout the 1980s, as demonstrated by this message issued during the early war years in 1982: “It is right to speak as one with the oppressed people who have risen up in the occupied lands of Palestine and actively support their demonstrations and uprising against the injustices of Israel...”³ However, there was no material assistance for the Palestinians, and such were the exigencies of the struggle with Iraq, The Islamic Republic of Iran (IRI) even collaborated covertly with Israel on security matters during the fighting.⁴

Substantial changes occurred in Iran’s relations with the Palestinians after the end of the Iran-Iraq war: these changes may appear to be driven at root by ideology, but this thesis demonstrates that they are grounded in changing geostrategic realities. Iran is now the most determined sponsor of Palestinian resistance to Israel, though not through the PLO but through the *Harakat al-Muqawamah al-Islamiyya*, Islamic Resistance Movement (Hamas). Table 1 highlights the main events affecting both Iran and Hamas in the relationship. Five overarching phases are distinguishable: an absence of interaction; a period of relationship growth; cooling; warmth; and uncertainty.

¹ Rhuollah Khomeini, *Palestine from the viewpoint of Imam Khomeini (may God grant him peace)*, trans. Juliana Shaw and Behrooz Arezoo (Tehran: The Institute for the Compilation and Publication of the Works of Imam Khomeini 2006). 97.

² Trita Parsi, *Treacherous Alliance: The secret dealings of Israel, Iran, and the United States* (New Haven: Yale University Press, 2007). 83-86, 99.

³ Khomeini, *Palestine from the viewpoint of Imam Khomeini (may God grant him peace)*: 127.

⁴ Parsi, *Treacherous Alliance*: 100.

Table 1: Chronology of events in Hamas-Iranian development

Phase	Date		Relationship	Hamas	Iran
	Year	Month			
I: No Ties	1979			PIJ splinters from MB	Iranian Revolution
		Nov	PLO intervenes in hostage crisis		
	1980	Sept	PLO supports Iraq in the war		USA embassy hostage crisis Iran-Iraq war begins
	1987	Dec		First <i>Intifada</i> begins	
				Hamas established by MB	
				Israel aids Hamas	
	1988			Hamas charter published	Iran-Iraq war ends
	1989	May		Ahmed Yassin, the spiritual leader of Hamas, is arrested	
		June			Khomeini dies A relatively mid-level religious cleric, Ali Khamenei, is appointed as Faqīh
		July			Hashemi Rafsanjani, a religious cleric and pragmatist, is elected as president

Phase	Date		Relationship	Hamas	Iran	
	Year	Month				
II: Ties establish and grow	1990	Dec	Hamas invited to Tehran for Islamic conference on Palestine			
	1991	Jan		Gulf War begins (ends on March 3 rd)		
		Oct	International conference to support the Islamic Revolution of the Palestinian people held in Tehran	Madrid Peace Conference occurs. Iran is excluded.		
		Dec		Cold War ends		
	1992			360 Hamas activists are deported to Lebanon		
	1993	Feb	Public declaration by Hamas says that there is an “identical view in the strategic outlook towards the Palestinian cause in its Islamic dimension” between the Hamas and Iran			
			Oslo Accords, a peace agreement between Israel and the PLO, are signed.			
		Nov	IRGC commander-in-chief meets Hamas leaders in Damascus			
		Dec	Hamas opens office in Tehran			
	1994	April		First suicide bomb		
	1995	Jan	James Woolsey, USA director for Central Intelligence, testifies that Hamas has received \$100million from Iran	Decision made not to compete in 1996 legislative elections		
		Nov		Yitzhak Rabin, the Israeli Prime Minister, is assassinated		
	1996	Jan		Yahya Ayyash, a leading bombmaker in Hamas, is assassinated		
		Feb		Qassam Brigade units undertake action in contravention of their leadership, but with the support of Political Bureau members		
	1997	Oct		Yassin released	Mohammed Khatami, a reformist candidate, is elected as president	
					Organisation of the Islamic Conference (OIC) – Saudi Arabia’s Crown Prince Abdullah attends	
	1998	March	Yassin makes an official visit to Iran as part of a wider MENA tour			

Phase	Date		Relationship	Hamas	Iran
	Year	Month			
III: Relationship cools	2000	Sept		al-Aqsa Intifada begins	
	2001	Sept		3000 die in New York city when al-Qaeda crash two planes into the Twin Towers.	
	2002	June	Iran sponsors a conference attended by Hamas, PIJ and others		
		July		Salah Shihada assassinated	
	2003	June		<i>Hudnah</i> with Israel	Khatami's 'Grand Bargain' is rejected by the USA
	2004	March		Yassin assassinated	
		April		Abdel 'Azziz al-Rantisi, Yassin's successor, is assassinated	
		Nov		Yasir Arafat, the PLO's leader, dies	
	2005		Khalid Mishal meets with Khamenei and calls for "resistance as the only path to liberation in the region."	Hamas decides to compete in legislative elections <i>Tahdi'ah</i> with Israel	
		Aug		Israel pulls out of Gaza	Mahmoud Ahmadinejad, a former IRGC member and neoconservative candidate, is elected as president

Phase	Date		Relationship	Hamas	Iran
	Year	Month			
IV: Relationship warms	2006	Jan	Mishal says “Just as Islamic Iran defends the rights of the Palestinians we defend the rights of Islamic Iran. We are part of a united front against the enemies of Islam.”	Hamas wins elections	
		Feb	Farhat Assad, Hamas' spokesman in the West Bank, claims Iran is willing to meet its entire budget deficit caused by withdrawal of funding to the Palestinian Authority		
		March		Quartet imposes a financial boycott	
		June	\$120million sent by Iran to Hamas February through June	Israeli siege of Gaza begins	
		Dec	A further \$250 million is pledged to Prime Minister Ismail Haniyeh		
			Israeli intelligence suggests Hamas militants are going to Tehran to train		
	2007	Feb		Mecca Agreement signed by Fatah and Hamas	
		March	Mishal visits Iran and is urged to continue fighting Israel by Ahmadinejad at the same time as Foreign Minister Manouchehr Mottaki reaffirms Iran's financial commitments		
		June		Hamas wins battle of Gaza	
	2008		Hamas receives \$150million for refusing to negotiate with Israel		
		Dec		<i>Tahdi'ah</i> with Israel expires Operation Cast Lead begins	
	2009	Jan		Operation Cast Lead ends	
		June			Ahmadinejad re-elected amidst allegations of electoral fraud and public protest

Phase	Date		Relationship	Hamas	Iran	
	Year	Month				
V: Uncertainty	2010	June		Flotilla Crisis occurs; Gaza siege eases		
	2011	Feb				Egypt allows two Iranian war ships through Suez canal
		March				Egypt's acting foreign minister, Nabil al-Arabi, announces Egypt will normalise relations with Iran and Hezbollah eventually
						Limited protests occur in Saudi Arabia
						Saudi Arabia sends troops to Bahrain
	May			Hamas signs unity agreement with Fatah		
				Egypt opens Rafah border		
	Aug		Hamas refuses to organise public demonstrations in support of Syrian regime			
			Iran withdraws funding from Hamas			
	2012	Jan		Reports allege that Hamas police have attacked Shi'ite worshippers in Gaza	Mishal announces that he will not seek reappointment as leader of the Politburo	
					Mishal visits Jordan for first time in 13 years	
			Haniyeh visits Iran	Haniyeh visits Turkish Prime Minister		
	Feb		Haniyeh announces support for the Syrian people	Talks between Hamas and PIJ on a merge become public		
				Mishal signs new unity deal with Abbas		
				Although never officially announced, sources suggest that all leaders from Hamas' Damascus headquarters have left the city for good		
	March		Hamas rules out support for Iran in the event of a war with Israel			
		Iran pays Hamas insiders to reject new unity deal with Abbas				

these changes are explained through the prism of Principal-Agent (PA) theory. It asks three In this thesis these questions: What are the costs and benefits arising from the relationship for each of the actors – the IRI and Hamas; how has the relative weight of those costs and benefits changed over the course of the relationship; and why have they changed?

PA analysis is a cost-benefit approach based on the principles of rational choice and game theory.⁵ It is used to understand the dynamics between a principal - “any individual or organization that delegates responsibility to another in order to economize on transaction costs, pursue goals that would otherwise be too costly, or secure expertise”⁶ - and an agent - an actor given authority to undertake particular actions. The most important underlying assumption is that, as rational actors, the principal and agent aim to enhance their individual preferences through the relationship.⁷ Such a framework is appropriate for analysing Iran-Hamas relations, moving the discussion away from whether Iran’s motives for sponsoring Hamas are ideological or pragmatic. The assumption of rationality provides a starting point for further analysis of what the actors’ strategic calculi are. Furthermore, assuming rational action enables us to look beyond rhetoric, which may mislead (consider Khomeini’s statements above). Instead, the focus is on how actors react, or are perceived to react, to international events. From this, it is possible to infer the changes that have occurred in their cost/benefit calculi.

Based on this framework, the thesis argues that whilst geostrategic realities change, the fundamental reasons for participating in a PA relationship remain the same, even though their relative importance waxes and wanes. The Iran-Hamas relationship will continue to exist while the actors’ cost-benefit calculi for contracting remain preferable to the next best alternative. For Iran, the alternatives to delegation are cooperation or unitary action. So far, the former has been too difficult to achieve due to historical antagonism between Persians

⁵ J Bendor, A Glazer, and T Hammond, "Theories of delegation," *Annual Review of Political Science* 4, no. 1 (2001), 236; Dietmar Braun and David Guston, "Principal-agent theory and research policy: an introduction," *Science and Public Policy* 30(2003), 303; Mark Pollack, "Principal-agent analysis and international delegation: Red herrings, theoretical clarifications, and empirical disputes," in *Bruges Political Research Papers*, ed. M Chang, et al. (Bruges: College of Europe, 2007): 3.

⁶ Hussein Kassim and Anand Menon, "The principal-agent approach and the study of the European Union: promise unfulfilled?," *Journal of European Public Policy* 10, no. 1 (2003), 122.

⁷ Braun and Guston, "Principal-agent theory and research policy," 303.

and Arabs, and Sunni and Shia, and the geostrategic situation in the Middle East. The latter is too unpalatable because it inevitably leads to isolation and war. Therefore, delegating authority to Hamas allows Iran the luxury of non-cooperation with Israel because it minimises the risk of conflict escalation due to the benefit of plausible deniability and credible commitments. At the same time the regional popularity of Hamas increased Iran's own legitimacy on the Arab Street helping to offset the policy of international isolation directed against Iran.

For Hamas, the alternatives are diplomacy and negotiation without the threat of violence or peaceful resistance. The PLO's experience with the 1993 Oslo Accords provides the justification for Hamas to maintain military capability because it demonstrated that leverage through violence is needed for a diplomatic solution to be possible.⁸ However, in order to survive militarily, Hamas needs to reduce the power differential between the movement, Israel and the secular Palestinian organisations currently based in Ramallah including Fatah, the Palestinian National Authority (PNA) and PLO. Contracting with Iran helps Hamas to do this because the state provides funding (money and arms) and training.

However, these benefits come at a cost. For Iran, costs arise from action or inaction by Hamas contrary to its preferences. Previously, such unwanted action was low because the preferences of the two actors were similar. In particular, both wanted the Oslo Accords disrupted.⁹ However, costs to Iran increased after the uprisings in multiple Arab countries in 2011 (Arab spring) because the preferences of the Palestinian public, which is Hamas' primary constituency, diverged from Iran's with regard to the Syrian uprising. Hamas refused to hold public demonstrations in support of President Bashar al-Assad. Iran has control mechanisms to deal with such intransigence ranging from monitoring to sanctioning.¹⁰ However, their effectiveness is very limited and throughout 2011 Hamas' intransigence continued despite the negative consequences of Iran's sanctions on its ability

⁸ Jeroen Gunning, *Hamas in politics: Democracy, religion, violence* (London: C. Hurst & Co. Ltd., 2009). 52.

⁹ Elliot Abram and Michael Singh, "Spoilers: The end of the peace process," *World Affairs* (2009): 72.

¹⁰ Ethan Bronner, Anthony Shadid, and Katherine Zoepf, "Tensions Rise as Hamas Refuses To Take Sides in Syrian Unrest," *New York Times*, May 2 2011, <http://ezproxy.massey.ac.nz/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=bwh&AN=60309808&site=eds-live>.

to govern effectively. The ineffectiveness of Iran's control mechanisms increases the importance of preference compatibility in ensuring Hamas acts appropriately. This means external events have a much greater impact on the strength of the relationship because they determine how compatible the actors' preferences are. Since external events also impact on how much benefit Iran receives from the relationship, they affect Iran's tolerance for the costs that arise from Hamas' intransigence.

For Hamas, the main cost incurred by the movement from the PA relationship is related to the control mechanisms used by Iran. Loss of independence is a significant threat to the goals of a VNS. However, Hamas retains independent decision-making through such strategies as diversifying its sponsorship base, called 'permeability' in PA terminology. For agents, there are also other costs to contracting including increasing internal discord and desensitisation to their host community.¹¹ However, although Hamas suffers from internal divisiveness, it has never suffered a permanent split – the Palestinian Islamic Jihad (PIJ) split from the Muslim Brotherhood (MB) before Hamas was formed - and remains attentive to the Palestinian community's preferences. In this regard, Hamas' fortune has a lot to do with the existence of both a leadership base inside the Occupied Palestinian Territories (OPT) and an organisational structure based on consultation and consensus.¹²

Before going further, it is pertinent to explain the use of terms describing Hamas. Terms commonly used within the literature, such as 'rebels' and 'terrorists', are uncritically state-centric and call into question the legitimacy of the organisations referred to. It is state-centric because the illegitimacy of these organisations is based on the state's traditional monopoly of legitimate violence.¹³ These terms delegitimise organisations like Hamas at the same time as they affirm the legitimacy of the state. The logic of such an approach is questionable because there is no incontrovertible reason why the state should have monopoly control, particularly in the context in which Hamas operates where Israeli control is widely understood to be a foreign military occupation. Thus, I will be using a more

¹¹ Idean Salehyan, "The delegation of war to rebel organizations," *Journal of Conflict Resolution* 54, no. 3 (2010), 507.

¹² Gunning, Hamas in politics: 40

¹³ Salehyan, "The delegation of war," 55.

neutral term, violent non-state actor (VNS). Mulaj defines VNSs as “non-state armed groups that resort to organized violence as a tool to achieve their goals.”¹⁴

It is necessary to distinguish between violent and non-violent non-state actors (the latter include economic actors like the IMF and World Bank) because there are differences in the cost-benefit analysis of a PA relationship between the state and the two kinds of actors. Due to the domination of states in the current international system, a relationship between a state and a VNS operating within another state is considered illicit. The illicit nature of the relationship increases the risks and costs to the principal because it decreases their control over the agent. At the same time, some of benefits gain in importance (increased popular support) and new benefits (plausible deniability) make the relationship worth the cost.¹⁵

This thesis is structured in nine chapters. Chapter two will describe the conceptual framework, PA analysis: it begins with outlining basic terminology and then moves into a description of traditional costs, benefits and control mechanisms used by each actor in the relationship. Chapter three is a literature review: it examines the evolution of PA analysis in International Relations (IR), and the state of the literature on both Iranian foreign policy and Hamas. Chapter four is the methods chapter and explains the reasons for choosing a predominantly qualitative approach to data collection and analysis, the benefits of mixed-methods and quantitative analysis notwithstanding. Chapters five and six provide contextual background to the IRI and Hamas respectively. This background information provides the basis for the cost-benefit analyses for Iran and Hamas conducted in chapters seven and eight. In these two chapters the research questions are definitively answered, suggesting, as mentioned above, that the geostrategic environment has a crucial role in determining how significant the costs and benefits of the relationship are. Chapter nine provides a summation of the Iran-Hamas relationship as seen through the prism of PA analysis.

¹⁴ Kledja Mulaj, "Violent non-state actors: Exploring their state relations, legitimation, and operationality," in *Violent non-state actors in world politics*, ed. Kledja Mulaj (London: C. Hurst & Co. (Publishers) Ltd. , 2010), 3.

¹⁵ See chapter 2.2 and 2.3 for detail on these costs and benefits. See chapters seven and eight for application to Iran and Hamas.

2 Conceptual Framework: Principal-Agent Analysis

This section begins by outlining basic concepts underlying PA analysis. Concepts used include delegation, discretion, autonomy, delegation chain and the next best alternative. A discussion of the types of costs, benefits and control mechanisms associated with delegation follows. This abstract discussion is grounded with examples from the Middle East. Once these concepts have been outlined, the third chapter provides a literature review of PA analysis, Iranian foreign policy and Hamas, and is followed by a methods chapter. This conceptual framework will be applied in chapters seven and eight in order to answer the research questions.

2.1 Definitions

Delegation is the defining characteristic of PA relationships.¹ It “is a conditional grant of authority from a principal to an agent that empowers the latter to act on behalf of the former. This grant of authority is limited in time or scope and must be revocable by the principal.”² Grants of authority are formal or informal; actors do not need to sign a piece of paper for a PA relationship to develop.³ This is an important point for this thesis because while the PA relationship between voters and the government is prescribed in legislation and the constitution, the contracts between VNSs and states, deemed illicit by other authorities, are often implicit. Formal written contracts create a paper trail, threatening the covertness of the relationship and the survival of both actors. During Operation Defensive Shield (2002), documents confiscated from the PNA provided proof of a contractual relationship between Iran and Hamas, PIJ, and The Popular Front for the Liberation of Palestine – The General Command.⁴ The need for secrecy has consequences for the methods used in this thesis as discussed in chapter four.

¹ Daniel Byman and Sarah Kreps, "Agents of destruction? Applying principal-agent analysis to state sponsored terrorism," *International Studies Perspectives* 11(2010): 3.

² Darren Hawkins et al., "Delegation under anarchy: States, international organizations, and principal-agent theory," in *Delegation and agency in international organizations*, ed. Darren Hawkins, et al. (Cambridge: Cambridge University Press, 2006), 7.

³ Ibid.

⁴ Shaul Shay, *The axis of evil: Iran, Hizballah, and the Palestinian terror* (New Jersey: The Interdisciplinary Center Herzliya Projects Ltd., 2005). 146.

Discretion “entails a grant of authority that specifies the principal’s goals but not the specific actions the agent must take to accomplish those objectives...”⁵ Discretion is related to the concept of *autonomy*, but “where discretion gives the agent the leeway the principal deems necessary to accomplish the delegated task, autonomy is the range of independent action available to the agent.”⁶ In other words, autonomy is the amount of action an agent can undertake outside of the principal’s control. This independent action can be taken in support or against the principal’s goals. Hezbollah and Hamas have about the same amount of discretion; that is, the same degree of authority to act.⁷ However, Hamas has greater autonomy than Hezbollah as Iran’s control mechanisms have less of an effect on it.⁸ This means, while Hezbollah can, for the most part, choose which actions to take on Iran’s behalf (discretion), the organisation has more difficulty pursuing its own interests (autonomy) than Hamas.⁹

The relationship between principal and agent does not take place within a vacuum. The socio-political context informs the relationship, impacting on the contrasting control and preferences of the principal and agent.¹⁰ One example is that the PA relationship studied might be only one facet in a larger *delegation chain* (Figure 1). This concept is easily appropriated to state-VNS relationships as illustrated by the simplified Iran-Hamas delegation chain in figure 2. The concept of a delegation chain is important because evidence suggests that at each link in the chain, slippage occurs.¹¹ This means that for private actors/Iranian government, the actions the furthest agent undertakes (IMF/Hamas grassroots) may differ substantially from their preferences.

⁵ Hawkins et al., "Delegation under anarchy," 8.

⁶ Ibid.

⁷ Hezbollah is a Lebanese Shia VNS sponsored from its birth in the 1980s by Iran. It has a markedly different relationship with Iran than Hamas partly due to Iran’s role in its formation which increased ideological affinity; the IRI’s Faqih is Hezbollah’s official guide.

⁸ See p. 22-26 for an explanation of the type of control mechanisms principals use to reduce autonomy.

⁹ Nicholas Blanford, *Warriors of God: Inside Hezbollah's thirty-year struggle against Israel* (New York: Random House, 2011). 482.

¹⁰ Claire Dunlop and Oliver James, "Principal-Agent modelling and learning: The European Commission, experts and Agricultural Growth Hormone Promoters " *Public Policy and Administration* 22, no. 4 (2007): 406.

¹¹ Daniel Nielson and Michael Tierney, "Delegation to International Organizations: Agency Theory and World Bank Environmental Reform," *International Organization* 57, no. 2 (2003): 249. See p.19 for a definition of slippage.

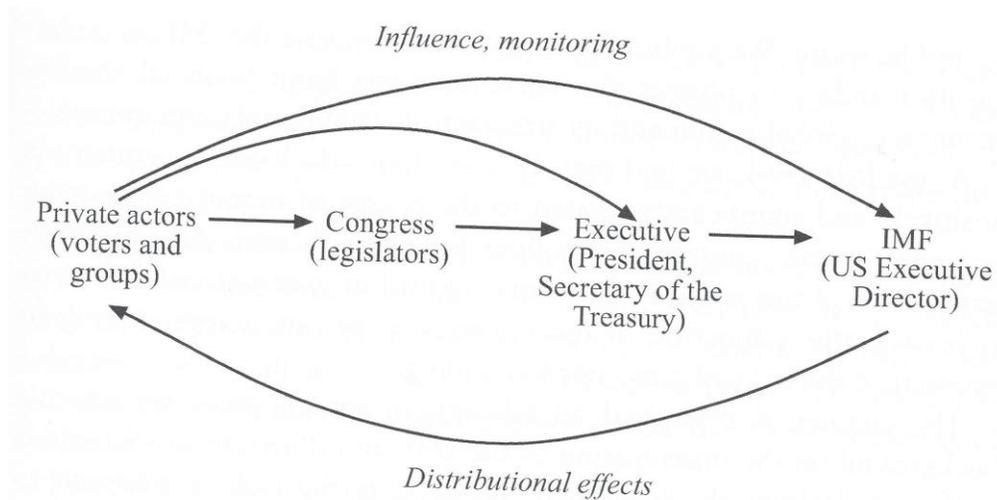


Figure 1: Chain of Delegation in US Domestic Politics and International Monetary Fund Policy (Broz & Hawes 2006, 79)

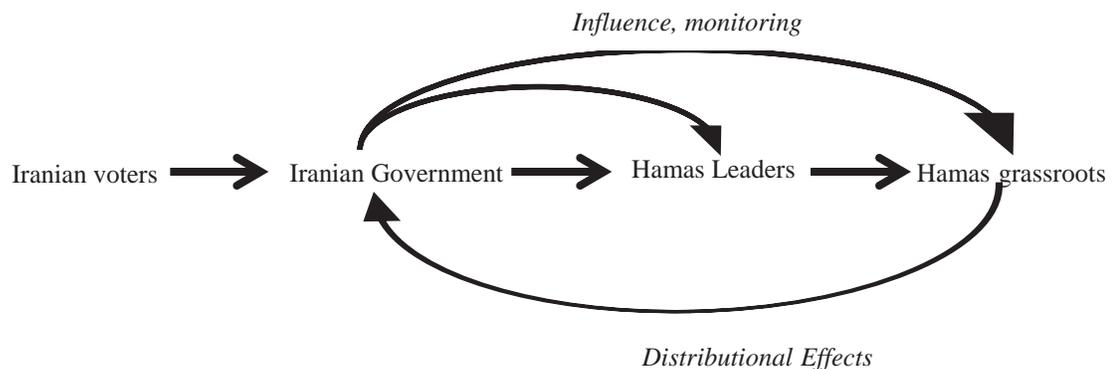


Figure 2: Chain of Delegation Iran-Hamas adapted from figure 1 by author.¹⁴

“Any theory of delegation must specify not only what delegation is, but also the alternatives to delegation. Explaining delegation, requires understanding ‘non-delegation.’”¹³ Costs and benefits need to be comparable to the next best alternative to

¹² While the Iranian government does have elected institutions, there are also a number of unelected institutions that are influential in the decision-making process. See figure 4 for a diagrammatic representation. The unelected institutions have much greater influence over delegation to Hamas than elected institutions (See Chapter 5). Consequently, the distributional effects are felt at the level of government instead of at the level of voters whose priorities are also focused domestically and not regionally. Hamas leaders are not only influenced and monitored by the Iranian government, but also by Palestinian voters who do not necessarily belong to Hamas (see p.119-120).

¹³ Hawkins et al., "Delegation under anarchy," 10.

understand the ‘why’ of delegation.¹⁴ For illicit PA relationships, this is depicted in Figure 3. This tree diagram first differentiates inter-state cooperation from inter-state non-cooperation with cooperation defined by Hawkins et al. as “mutual policy adjustment.”¹⁵ The next branch highlights the choice between delegating to a VNS organisation and acting unilaterally. Each node of the tree is explained more fully in the following paragraphs.

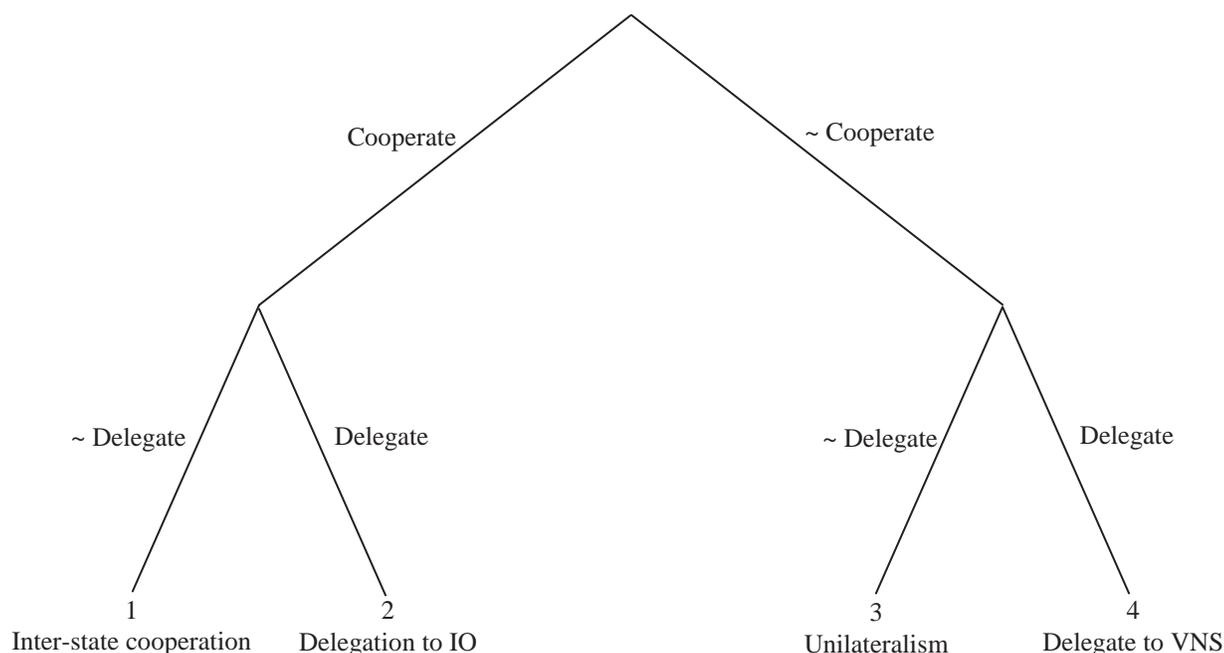


Figure 3: State-VNS delegation decision tree adapted from Hawkins et al.’s tree diagram of the next best alternative for state-IO relations (2006, 12) by author.

Nodes 1+2 Firstly, the state may cooperate with a specific state or the international community in general. Cooperation can take two forms: state implementation of policy or delegation to International Organisations (IO). In both cases, there is a mutually satisfactory adjustment of policy. In the past, Iran has chosen to cooperate with specific regional states such as Syria on a regular basis and over specific policies in the international arena. In a further example, during the USA’s invasion of Afghanistan, Iran’s knowledge, influence and technical assistance were instrumental in successfully ousting the Taliban and

¹⁴ Ibid., 12.

¹⁵ Ibid.

negotiating governing arrangements as demonstrated in the Bonn Conference.¹⁶ Iran also sought to set-up regional security structures such as the Persian Gulf Security Structure in the early 1990s, and cooperates internationally through collective delegation to IOs including the array of United Nations organisations.¹⁷

Node 3 Cooperation fails when there is no mutually satisfactory policy adjustment between states. Unilateral action might then occur. However, there are a number of negative consequences to unilateral action including international isolation and war.¹⁸ In 1994, the USA implemented ‘dual containment’ against Iran and Iraq for what were seen as belligerent actions. This policy was designed to isolate Iran and Iraq. However, this policy did not work because their size and influence required the cooperation of the one to contain the other.¹⁹ Post-September 11, 2001, the failure of dual containment and Iraq’s failure to modify its foreign policy in the wake of a radically altered external environment led to the 2003 Iraq war.

Node 4 In contrast, Iran actively moved to ensure the policy of ‘dual containment’ did not succeed in isolating it or forcing war.²⁰ This is achieved not so much by increasing cooperation with the USA and Israel, but by supporting VNSs opposed to them. This situation is the main focus of the thesis. In using VNSs, Iran is hoping to gain the best of both alternatives. Delegation to VNSs allows Iran to maintain a policy of non-cooperation with specific countries, but minimises the risk of escalation at the same time as it complicates the isolation process. This complication arises from the regional public popularity of the Palestinian resistance. Authoritarian Arab states supportive of the USA and Israel have to balance that support against fear of their own populations.²¹ For instance, Hezbollah frames its actions within the context of the ‘people’s resistance’ to Israel. This stratagem was remarkably successful up until the Syrian uprising began in 2011 which forced Iran to support al-Assad against the Syrian population. Despite the

¹⁶ Trita Parsi, "The price of not talking to Iran," *World Policy Journal* 23, no. 4 (2006), 12.

¹⁷ Ibid.

¹⁸ Salehyan, "The delegation of war," 504.

¹⁹ Gregory Gause, "The illogic of dual containment," *Foreign Affairs* 73, no. 2 (1994), 56-57.

²⁰ Trita Parsi, "The Iranian challenge," *Nation* 285, no. 16 (2007), 24.

²¹ ———, *Treacherous Alliance*: 4.

human cost of the 2006 Israel-Lebanon war, Hezbollah rode a wave of popular support across the Arab world which has only been good for Iran given its funding of the organisation.²²

2.2 Application from the principal's perspective

Now that the concepts underpinning PA analysis are understood, we can delve into why delegation might be preferred to the alternatives. The benefits of the relationship are discussed followed by the costs and how principals can minimise those costs. Finally, the agent's perspective will be highlighted following the same structure. Remembering the assumptions of this model, cost-effectiveness and savings are at the heart of the question 'why delegate?'²³ These costs and benefits must be assessed in the context of the next best alternative.

Benefits

The literature suggests that relevant expertise (specialisation) and credible commitments are the two most important benefits of delegation. Additional benefits for states delegating to VNSs include plausible deniability and domestic/foreign legitimacy.²⁴

The utilisation of *expertise* in policy areas of which the state has insufficient knowledge or capacity is important in state-VNS relationships.²⁵ VNSs not only have more knowledge than the state over the contested territory and superior asymmetric tactics and skills which could be useful in 'spoiling' peace processes, but they also have the ability to govern the territory while having less costly man power.²⁶ The use of VNS expertise enables the state to project power over large distances that are beyond the reach of conventional military

²² ———, "Iran and Israel: The avoidable war," *Middle East Policy* 14, no. 3 (2007): 83.

²³ Salehyan, "The delegation of war," 502.

²⁴ Mark Pollack, "Delegation and discretion in the European Union," in *Delegation and agency in international organizations*, ed. Darren Hawkins, et al. (Cambridge: Cambridge University Press, 2006), 170; Byman and Kreps, "Agents of destruction?," 6.

²⁵ Kassim and Menon, "Study of the European Union," 122; Pollack, "Delegation and discretion in the European Union," 170.

²⁶ Salehyan, "The delegation of war," 503-04; Byman and Kreps, "Agents of destruction?," 4, 8.

capacity. Iran's delegation to Hezbollah can be seen in this light²⁷. Hezbollah became an elite guerrilla force due to Iranian funding and training, ultimately preventing an outright victory for Israel in the 2006 war, a feat never achieved before. Thus, this was a major blow for Israel and hugely popular in the region. Iran seemingly bore no direct casualties during Hezbollah's campaigns against Israel. Even if the Iranian Revolutionary Guard Corps (IRGC) did incur casualties in 2006, the Iranian public would not have known about the casualties due to the covertness of its involvement. Thus, IRGC casualties would not have affected Iran's domestic popularity. Yet, its support in the region increased and the only cost has been financial support which also negatively impacts its domestic popularity.²⁸

Credible commitments refer to the likelihood that the principal will follow through on a threat. States use VNSs to punish enemies for perceived wrongdoings in situations that interstate conflict is either not merited or unaffordable (if the transgressor is stronger than the offended state as in the Iran-Israel dyad). Delegation reinforces rhetorical demands by signalling "commitment to engage in tit-for-tat retaliation," creating a strong disincentive for enemy action.²⁹ As Itamar Rabinovich, Israel's former ambassador to the USA, told Parsi "this is a different ball game... If you cannot act against Hezbollah in Lebanon without an Israeli embassy being blown up or Jewish community center being blown up in Buenos Aires, this gives you pause. This is a different equation."³⁰

Plausible deniability contrasts with the increased transparency and monitoring of state actions which derives from licit delegation.³¹ Through covertly delegating aggression to a VNS, the connection between the state and aggression is weakened, decreasing the legitimacy of retaliation against the principal.³² Delegation further compounds the difficulties of retaliation when it is not clear to the international community that the VNS's

²⁷ Daniel Byman, *Deadly connections: States that sponsor terrorism* (Cambridge: Cambridge University Press, 2005). 27.

²⁸ Parsi, "The avoidable war," 83; David Menashri, "Iran's regional policy: between radicalism and pragmatism," *Journal of International Affairs* 60, no. 2 (2007): 162.

²⁹ Byman and Kreps, "Agents of destruction?," 4.

³⁰ Parsi, *Treacherous Alliance*: 178.

³¹ Brown, "Measuring Delegation," 144.

³² Byman and Kreps, "Agents of destruction?," 6.

demands are illegitimate.³³ Israel struggled to justify the 2006 war with Hezbollah to the Arab Street and, consequently, to their governments. Justifying action against Iran, a sovereign state whose actions are indirect, would be that much more difficult.

The benefit of domestic and foreign *legitimacy* is a relatively new concept to PA analysis. Sociological institutionalists suggest that delegation does not only occur because it reduces economic costs, but also because it is seen as legitimate either by themselves, or by influential third parties.³⁴ Byman and Kreps cite Kathleen McNamara's identification of symbolic commitments as a powerful motivation for governments to delegate to central banks.³⁵ Syrian support for Palestinian VNSs is inspired primarily by hopes of increasing domestic legitimacy given Syria's limited means for securing legitimacy due to the state's authoritarianism and the VNS's broad popular appeal.³⁶ Likewise, if a state wants to wage a battle for hearts and minds within an opposing state, then supporting a popular VNS will enhance the image of the external state. This is the case for Iran, whose battle against isolation has been premised on maintaining support within Sunni Arab populations in authoritarian countries such as Egypt through support for Palestine. This legitimacy within external Arab populations made it difficult for Arab governments to act against Iran despite peace agreements with Israel and historic Persian-Arab tension.³⁷

Costs

The literature on PA relationships largely concerns itself with the costs of delegation; why they arise, and how principals manage the problems identified.³⁸ There are two broad cost categories: adverse selection and agency slack.³⁹ These costs arise primarily because

³³ Salehyan, "The delegation of war," 504.

³⁴ Pollack, "Red herrings, theoretical clarifications, and empirical disputes," 15.

³⁵ Byman and Kreps, "Agents of destruction?," 5.

³⁶ Ibid. "Authoritarianism is a belief in, or practice of, government 'from above', in which authority is exercised regardless of popular consent." Andrew Heywood, *Politics* (Hampshire: Palgrave Macmillan, 2007). p.38.

³⁷ T Parsi, "Israel and the origins of Iran's Arab option: Dissection of a strategy misunderstood," *Middle East Journal* 60, no. 3 (2006): 83. This is not a consistent policy. During the 1990s, there was a move to engage Arab governments rather than their publics. However, once Ahmadinejad gained power in 2005, there was a reversion to 1980s revolutionary policy.

³⁸ Hawkins and Jacoby, "How agents matter," 199.

³⁹ Braun and Guston, "Principal-agent theory and research policy," 303.

agents are self-interested.⁴⁰ As agent preferences more often than not diverge from the principal's preferences, most PA relationships are, to a greater or lesser extent, inefficient.⁴¹ This does not mean that the principal should not delegate. The costs of delegation are relative to the costs of the next best alternative.⁴²

Adverse Selection occurs because a principal's knowledge about the strengths and weaknesses of potential agents is incomplete, increasing the possibility that they may choose an incompetent or unreliable agent.⁴³ Syria faced this problem when it contracted with the Abu Nidal Organisation (ANO). President Hafez al-Assad originally allowed ANO headquarters to be in Syria in 1981 on the understanding that the organisation could help fight the MB, which was challenging the Ba'athist regime, and Jordan, which was entertaining the idea of peace with Israel. However, al-Assad failed to fully appreciate Nidal's motivations. Seale highlights a number of theories including that Nidal was controlled by Mossad and that Nidal wanted Syria to expel the organisation. Whatever the case, a number of attacks occurred in Europe in the 1980s while the organisation was being hosted by Syria, embarrassing the country.⁴⁴ Syria eventually expelled Abu Nidal from Damascus in 1987 before the state was endangered by Israeli retaliation.⁴⁵

"*Agency slack* is independent action undesired by the principal. Slack occurs in two primary forms: shirking, when an agent minimises the effort it exerts on its principal's behalf, and slippage, when an agent shifts policy away from its principal's preferred outcome."⁴⁶ Arising in the region of autonomous action, slack eludes principal control.

⁴⁰ Ibid.

⁴¹ Helen Milner, "Why multilateralism? Foreign aid and domestic principal-agent problems," in *Delegation and agency in international organizations*, ed. Darren Hawkins, et al. (Cambridge: Cambridge University Press, 2006), 116; Andrew Cortell and Susan Peterson, "Dutiful agents, rogue actors, or both? Staffing, voting rules, and slack in the WHO and WTO," in *Delegation and agency in International Organizations*, ed. Darren Hawkins, et al. (Cambridge: Cambridge University Press, 2006), 256.

⁴² Hawkins et al., "Delegation under anarchy," 31.

⁴³ Salehyan, "The delegation of war," 502.

⁴⁴ See p.21-22 for specifics of one attack and the theories behind Israeli involvement.

⁴⁵ Patrick Seale, *Abu Nidal: A gun for hire* (London: Random Century Group Ltd, 1992), 274.

⁴⁶ Hawkins et al., "Delegation under anarchy," 8.

In an illicit relationship, the amount of shirking and/or slippage depends, in part, on whether VNSs are more or less risk averse than the state. While violence is often the reason for delegating to a VNS organisation, the VNS's intensity threshold may differ from the state sponsor's. If the VNS is more risk averse than the state sponsor, then fewer and less intense attacks will take place than the state would prefer. This amounts to shirking. Shirking will also occur if the funding provided by a state is used for purposes other than what it was intended for. For example, instead of using money flagged for armed resistance, it goes into reconstruction efforts.

Shirking is potentially dangerous for the delegator. Hezbollah's kidnapping of two Israeli soldiers in 2006, provided the excuse for Israeli to attack. Had the attack succeeded, it would have been a major disaster for Iran which perceived the attack as preparation for a direct attack on Iranian territory.⁴⁷ Furthermore, Iran had spent millions on building Hezbollah's arsenal, weapons system, electronic warfare capabilities and bunker networks. These were all wasted or unveiled in a war which should have been avoided.⁴⁸ There was also a negative effect on Iran's relations with some Arab governments, particularly Saudi Arabia, because as Iran's standing on the Arab Street increased, their natural suspicion of Iranian ambitions increased.⁴⁹ Thus, although there was a massive increase in popular support for Hezbollah and Iran throughout the Arab world, there were also significant costs.

In general, slippage is more serious than shirking because it usually occurs when the VNS is less risk averse than the state sponsor, affecting inter-state relationships.⁵⁰ On contracting an agent, the state loses some of its foreign policy autonomy.⁵¹ Due to the covert nature of the relationship, the international community is not privy to the nuances within it. Hence, the international community might not notice the state's failure to maintain control of the agent and the divergence of preferences. In this context, conflict escalation could occur.

⁴⁷ Parsi, *Treacherous Alliance*: 275.

⁴⁸ Blanford, *Warriors of God*: 411-12.

⁴⁹ Menashri, "Iran's regional policy," 163.

⁵⁰ Byman and Kreps, "Agents of destruction?," 6-7.

⁵¹ Salehyan, "The delegation of war," 493.

During the 1960s, Palestinian resistance organisations had an uneasy relationship with their host state, Jordan. Immediately following Fatah's first attack on Israel's water carrier at Ain Bone on January 1 1965 Jordan and Lebanon, in fear of Israeli reprisals, began an armed operation against the groups.⁵² After the 1967 war, a warmer relationship briefly developed between Jordan and the resistance as it was no longer politically viable for Jordan to oppose them.⁵³ Cooperation was most successful during the 1968 Karameh military operation. However, King Hussein was never able to control the resistance, because there were so many different groups with different agendas, some of which intended to overthrow Hussein. Unauthorised actions occurring from Jordanian soil led Israel to threaten to take control of the situation if Jordan did not act to prevent them.⁵⁴ In 1971, their last bases in Jordan were closed after the 'Black September' conflict between the PLO and Jordanian army.⁵⁵

Undesired action is not always violent. VNSs occasionally make public claims about their relationship with a state sponsor. State sponsors find these claims difficult to rebut due to their attempts to shroud the relationship in secrecy, impacting on their plausible deniability.⁵⁶ If a state loses its plausible deniability due to the uncontrollable actions of its agents, the likelihood of conflict escalation increases dramatically. Again, Syrian delegation to the ANO is a good example. Nizar Hindawi, a Jordanian recruited by Syrian intelligence to oppose the Jordanian regime and known to have worked for multiple intelligence agencies including Mossad, appeared to go out of his way to implicate Syria over the April 17 1986 discovery of explosives in his fiancée's bag at Heathrow airport. She was on her way to Tel Aviv. The incident badly damaged Syria's international reputation and was part of the impetus for expelling the organisation in 1987.⁵⁷ Abu Nidal's involvement did not just include providing the bomb. According to senior Syrian

⁵² John Cooley, *Green March, black September: The story of the Palestinian Arabs* (London: Frank Cass and Company Limited, 1973). 96.

⁵³ Bassam Abu Sharif, *Arafat and the dream of Palestine: An insider's account* (New York: Palgrave Macmillan, 2009). 4.

⁵⁴ *Ibid.*, 26.

⁵⁵ Cooley, *Green March, black September*: 122. Black September 1970 occurred not just due to the threat of war with Israel, but also because internal Jordanian security and sovereignty was being compromised by the institutional growth of the PLO in Jordan to the point where people were referring to a 'state within a state'.

⁵⁶ Byman and Kreps, "Agents of destruction?," 7-8.

⁵⁷ Seale, *Abu Nidal*: 257-252

officials, Abu Nidal, in the pay of Mossad, sold the idea of an attack to Syrian air force intelligence, in order to damage Syria's international reputation.⁵⁸

Slippage also minimises the potential PA benefit of increasing the principal's bargaining power with fellow states. If undesired action continues despite principal control mechanisms, the victim state has no reason to increase the number of concessions made. Credible commitment works both ways. The state-sponsor must be able to demonstrate its capacity and willingness to control the actions of its agents.⁵⁹ Just 25% of peace processes succeed where extremist violence occurs, compared to 60% where no such violence occurs.⁶⁰ Even though attacks against Israel after the signing of the Oslo Accords were instigated by Hamas, they contributed to mistrust between Israel and the PNA which was considered responsible for halting such attacks.⁶¹

Solutions

Principals use control mechanisms to minimise adverse selection and slack. Mechanisms are either ex ante (prior to delegation) or ex post (subsequent to delegation). Ex ante mechanisms involve screening potential agents and using multiple agents to check and balance each other. Ex post mechanisms include monitoring and sanctioning. However, all control mechanisms have a cost "hence, principals will adopt a given control mechanism only if its cost is less than the sum of the agency losses it reduces."⁶² Thus, the principal may choose to allow agency slack if control mechanisms are prohibitively expensive (normatively as well as economically) and if the delegation remains relatively more beneficial than the next best alternative.⁶³

⁵⁸ Ibid., 252.

⁵⁹ Salehyan, "The delegation of war," 505.

⁶⁰ Andrew Kydd and Barbara Walter, "Sabotaging the peace: The politics of extremist violence," *International Organization* 56, no. 02 (2002): 264.

⁶¹ Ibid., 285. See p.91-92 for more detail on this situation

⁶² Mark Pollack, "Delegation, agency, and agenda setting in the European Community," *International Organization* 51, no. 1 (1997): 109.

⁶³ Hawkins et al., "Delegation under anarchy," 31.

Screening and selection is an attempt to identify the agent whose preferences most closely align with their own and/or who has proven their capabilities and loyalties in the past.⁶⁴ Bendor et al., call it the ‘ally principal.’ The agent, exploiting the autonomy granted to it, “picks his induced ideal point in policy space...”⁶⁵ The principal wants this ideal point to match its own. In reality, potential agents are limited so the principal makes do with the agent which will seemingly choose the policy point closest to its own.⁶⁶ This selection process reduces the degree of ex post control necessary to limit the agent’s autonomy due to slack.⁶⁷ The PLO’s secular nature and its eventual preference for accommodation with Israel contributed towards Iran’s preference to contract with Hamas and the PIJ instead.⁶⁸

If the principal cannot find an agent with suitable preferences, it may risk creating its own agent. Iran helped found Hezbollah from a cluster of young revolutionaries in Lebanon even though another Shia resistance organisation, Amal, already existed in Lebanon: Amal was a secular organisation and, hence, did not hold the same ideological preferences as the IRI.⁶⁹ Creating an agent is risky because there is an uncertainty cost regarding what the agent’s preferences and capabilities will be, making it more difficult to determine expected outcomes and what control mechanisms are necessary.⁷⁰ There are also greater start-up costs than for an already existing agent.⁷¹ The IRI spent more time and money on recruiting, organising, training, and inculcating Hezbollah’s early coterie with the same revolutionary ideology the Iranian government embodies than it has on other VNSs, such as Hamas, that were already well-established when a relationship formed.⁷²

⁶⁴ Nielson and Tierney, "Delegation to International Organizations," 246.

⁶⁵ Bendor, Glazer, and Hammond, "Theories of delegation," 243.

⁶⁶ Hawkins et al., "Delegation under anarchy," 25.

⁶⁷ Ibid., 29.

⁶⁸ Parsi, *Treacherous Alliance*: 84-85. This began to change during the al-Aqsa Intifada with Fatah becoming both more violent and less secular. In the Karine A episode 2001, the alleged recipient of arms from Iran was Fatah and not the Islamic Palestinian organisations. See chapter seven footnote 23 for more on the Karine A affair. Ido Zerkovitz, "Fatah's embrace of Islamism," *Middle East Quarterly* 15, no. 2 (2008).

⁶⁹ Blanford, *Warriors of God*: 35; Augustus Norton, *Hezbollah: A short history* (New Jersey: Princeton University Press, 2007). 34.

⁷⁰ Hawkins and Jacoby, "How agents matter," 204.

⁷¹ Ibid., 203.

⁷² Norton, *Hezbollah: A short history*: 34.

Contracting with multiple agents is a useful tool to *check and balance* slack. The competition produces information regarding the agent's true preferences and capacity to fulfil its contracted tasks.⁷³ Furthermore, in a competitive environment, slack negatively affects network ties and support within the wider community so contracting with multiple agents may force them to work closer to their full potential.⁷⁴ In the 1970s and 80s, public support for the PLO was so strong it undermined the Syrian government's domestic and international support when the state acted against the organisation, as increasingly occurred after Syria's intervention in Lebanon's civil war in 1976. Thus, Syria continued to support the PLO. However, Syria also sought to make the PLO more compliant and, in 1979, paralysed its decision-making by supporting Fatah's rival Palestinian VNSs including the PFLP and DFLP, as well as factions within Fatah itself and al-Sa'iqa, a Palestinian resistance group controlled by Syria.⁷⁵ Thus, this parallel support enabled Syria to "hedge against biased interests and offered several agents' ideologies and sets of expertise from which to choose."⁷⁶

McCubbins and Schwartz identified two types of *monitoring* mechanisms, 'police patrols' and 'fire alarms'. In police patrols, the principal directly monitors the agent for signs of slack.⁷⁷ Iran expends a lot of energy monitoring Hezbollah with Iranian officials holding places on many of the organisation's councils and reporting back to Tehran.⁷⁸ However, while police patrols are effective in detecting agency slack, they are costly both economically, due to the time and effort involved, and politically, due to the strain it places on the concept of plausible deniability.⁷⁹ Where agency slack is not actually occurring, this cost outweighs the benefits of monitoring.⁸⁰ Therefore, a mechanism is needed to determine whether police patrols are necessary.

⁷³ Hawkins et al., "Delegation under anarchy," 30.

⁷⁴ Nielson and Tierney, "Delegation to International Organizations," 246; Ruth Grant and Robert Keohane, "Accountability and abuses of power in world politics," *The American Political Science Review* 99, no. 1 (2005), 37.

⁷⁵ Yezid Sayigh, *Armed struggle and the search for state: The Palestinian national movement 1949-1993* (Oxford: Oxford University Press, 1997), 444; Abu Sharif, *Arafat and the dream of Palestine*: 112.

⁷⁶ Byman and Kreps, "Agents of destruction?," 11.

⁷⁷ Pollack, "Delegation, agency, and agenda setting," 111.

⁷⁸ Byman and Kreps, "Agents of destruction?," 10.

⁷⁹ *Ibid.*, 14.

⁸⁰ Hawkins et al., "Delegation under anarchy," 28.

Principals use fire alarms in this way, utilising third parties to monitor their agent. Third parties can be rival agents or NGOs and other affected parties. The use of fire alarms has a number of benefits. The principal gains insight into significant instances of slack without resource expenditure since third parties affected by the slack generally make the incident public.⁸¹ Nevertheless, only those instances which impact groups that can mobilise politically will reach the attention of the principal. This means that the agent will remain uncontrolled outside the sphere of action which impacts on public affairs.⁸² This critique is not as important in state-VNS relationships as the actions that are generally of most concern to the state take place very publicly. For instance, when the post-1967 Palestinian resistance attacked Israel without authorisation, Jordan knew the attacks were occurring, but preventing them was more difficult without expelling the groups altogether (as it began to do during Black September). This was in part because the Palestinians' were able to resist efforts to contain their activities (whether legislative or militant) by questioning the legitimacy of the Hashemite regime in the wake of the 1967 war and building their own quasi-state structures inside Jordanian territory.⁸³

Once slack is identified, a state uses *sanctioning* to discourage more slack. Iran is particularly known for its carrot-and-stick approach to its agents, increasing support when attacks are successful and decreasing them when attacks fail.⁸⁴ President Abbas, leader of Fatah, suggested in 2010 that Hamas rejected an Egyptian sponsored reconciliation accord between the two Palestinian factions in order to receive \$500 million from Iran.⁸⁵ Recently, Iran appears to have withheld money from Hamas for its refusal to support Syria publicly over its domestic crisis.⁸⁶ When all else fails, the principal can abandon an agent as Syria

⁸¹ Ibid.

⁸² Pollack, "Delegation, agency, and agenda setting," 111.

⁸³ Milton-Edwards & Hinchcliffe, *Jordan: A Hashemite legacy*, Second ed. (Oxon: Routledge, 2009), 41.

⁸⁴ Matthew Levitt, "Hezbollah finances: Funding the Party of God," in *Terrorism financing and state responses: A comparative perspective*, ed. J Giraldo and H Trinkunas (Stanford: Stanford University Press, 2007), 137.

⁸⁵ Intelligence Briefing, "Hamas 2010 budget mainly 'foreign aid' from Iran," *World Tribune.com*, January 5 2010, http://www.worldtribune.com/worldtribune/WTARC/2010/me_hamas0005_01_05.asp.

⁸⁶ "Iran said to have cut funding to Hamas as group fails to show pro-Assad front," *Middle East Reporter* August 22, 2011,

<http://ezproxy.massey.ac.nz/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=bwh&AN=65144107&site=eds-live>.

did with the ANO in 1987.⁸⁷ However, this is the most costly sanction given the start-up costs involved in finding a new agent.⁸⁸

2.3 Application from the agent's perspective

Although little has been written on PA relationships from the agent's perspective, enough is known to be able to give an accurate representation of the benefits and costs which impact the agent's decisions. In this section, those benefits and costs are identified as are the mechanisms employed to minimise the costs. As with the principal, these costs and benefits need to be assessed in the context of the next best alternative. For Hamas, the next best alternative is the path taken by Fatah – demilitarisation in pursuit of peaceful negotiations.

Benefits

As Carter notes, a VNS's chances of success are generally considered to be much greater when it has the backing of an external state.⁸⁹ "Insurgent groups face the challenge of mobilising supporters, training recruits, finding sources of finances, and acquiring arms, all within the shadow of government repression."⁹⁰ An external state can help the VNS to overcome these challenges, significantly improving their capabilities. They provide funding, training and shelter, all of which decrease the power differential between the VNS and their state opposition, making contracting with an external state a highly attractive proposition.⁹¹

Syria's relationship with the Kurdistan Workers' Party (PKK) is a good example. In the mid-1980s Syria increased its ties with the PKK. They were given control of the Helwe training camp in the Bekaa Valley, occupied at this time by Syrian forces. It also allowed

⁸⁷ See p.19 for detail on why Syria expelled the ANO.

⁸⁸ Hawkins and Jacoby, "How agents matter," 203.

⁸⁹ David Carter, "A Blessing or a Curse? State Support for Terrorist Groups," *International Organization* 66, no. 1 (2012). 2.

⁹⁰ Salehyan, "The delegation of war," 507.

⁹¹ Ibid.

other PKK activities, such as recruitment and organisational work to continue on its soil.⁹² Such sanctuary is perhaps the most important form of support a state can provide a VNS as it places the VNS beyond the reach of their rival state's sovereign and 'legitimate' military force.⁹³ When Syria withdrew its support, Ocalan, PKK's leader, was forced to flee first to Europe, then to Kenya and from there he was extradited to Turkey, put on trial, and sentenced to death (this was commuted to life in prison). Subsequently, the organisation downgraded its goal of an independent Kurdistan to a "truly democratic Turkey, in which Kurds and Turks would be unified in the way that Turkey's founder had imagined".⁹⁴

Costs

However, once an agent decides that the benefits merit contracting, it faces a number of problems including encouraging delegation and discretion, the unreliability of principals, divisions within the organisation and desensitisation to their communities.

Ex ante control mechanisms, such as screening, prove problematic for agents. They want the resources the principal has but, generally, have diverging interests. The screening process enables the principal to discover such interests and either refuse to delegate or place restrictions upon the authority delegated.⁹⁵ Che Guevara was sent to the Democratic Republic of Congo to help launch Laurent Kabila's Marxist rebellion, but also to collect information on the potential agent. However, Guevara grew disillusioned with Kabila's group and advised Cuba against contracting.⁹⁶

Ex post mechanisms are also problematic because they decrease the agent's autonomy. The more autonomy an agent has, the more resources it can spend on its own interests.

Therefore, they "face a trade-off between improving their resource base and maintaining

⁹² Aliza Marcus, *Blood and belief: The PKK and the Kurdish fight for independence* (New York: New York University Press, 2007). 99-100.

⁹³ Idean Salehyan, "No Shelter Here: Rebel Sanctuaries and International Conflict," *The Journal of Politics* 70, no. 01 (2008): 54.

⁹⁴ Marcus, *Blood and belief*: 287-288.

⁹⁵ Nielson and Tierney, "Delegation to International Organizations," 246; Hawkins et al., "Delegation under anarchy," 29

⁹⁶ Salehyan, "The delegation of war," 505.

organizational independence".⁹⁷ Such independence is a central concern of the Palestinian resistance. In 1976, the PLO began to refer to the need for 'independent Palestinian decisions' in response to overt attempts by Syria to constrain the organisation in Lebanon.⁹⁸ The concept's scope expanded to demand freedom from the exertion of all Arab influence over Palestinian actions.⁹⁹ Today, Fatah and Hamas routinely employ the concept to criticise the decisions made by the other.¹⁰⁰

Even where the political leadership is willing to comply with its principal's demands, it may find it difficult to ensure orders are enacted appropriately. In the early 1980s, divisions over the place of the Iranian Revolution and resistance to Israeli occupation within the Palestinian MB were at a height and, by 1983, had led to the creation of the PIJ.¹⁰¹ If divisions within the organisation are not resolved, its relationship with the principal will be compromised.¹⁰² Shapiro suggests the division exists for three reasons:

*(1) individuals recruited because of their skills in violence will tend to have an underlying preference for more action, or different actions, than leaders would prefer; (2) leaders and their covert operatives receive different information about the world; and (3) the cognitive dynamics of underground organizations lead operational units to see the world differently than their leaders, typically interpreting the same information as implying more violence.*¹⁰³

For the Palestinian MB, the younger members were seeing the world differently and interpreting the information as requiring violence.¹⁰⁴

⁹⁷ Ibid., 507.

⁹⁸ Sayigh, *Armed struggle*: 377.

⁹⁹ Iyad Barghouti, "Palestinian-Israeli negotiations: An objective in themselves," *The International Spectator* 46, no. 1 (2011): 21.

¹⁰⁰ Robert Blecher, "Fatah and Hamas are both taking on water," International Crisis Group, <http://www.crisisgroup.org/en/regions/middle-east-north-africa/israel-palestine/blecher-fatah-and-hamas-are-both-taking-on-water.aspx>; Michael Young, "What has Gaza gained since Hamas won four years ago?," *The National*, March 11 2010, <http://www.thenational.ae/news/what-has-gaza-gained-since-hamas-won-four-years-ago>.

¹⁰¹ Beverley Milton-Edwards, *Islamic politics in Palestine* (London: I.B.Tauris & Co Ltd, 1996). 119-20.

¹⁰² Jacob Shapiro, "Terrorist organizations' vulnerabilities and inefficiencies: A rational choice perspective," in *Terrorism financing and state responses: A comparative perspective*, ed. J Giraldo and H Trinkunas (Stanford: Stanford University Press, 2007), 62.

¹⁰³ ———, "Bureaucracy and control in terrorist organizations," (New Jersey: Princeton University, 2008),

103.

¹⁰⁴ Milton-Edwards, *Islamic politics in Palestine*: 119.

The principal may terminate the relationship for reasons other than agent noncompliance. States need to adapt to the changing international environment. If the geopolitical situation changes, it might be prudent for the principal to terminate the contract, leaving the agent to survive on its own.¹⁰⁵ For example, at the end of the Cold War, the USA's need for proxy forces in other countries, including Afghanistan, dried up. In Nicaragua, this prompted the Contras to hold peace talks with the government of the day.¹⁰⁶

Finally, external resource supplies distance the agent from the community, desensitising them to the costs of conflict and the needs of the community.¹⁰⁷ When their economic survival is dependent upon the community they are supposedly representing, the organisation establishes deep social bonds within society. When their survival is no longer dependent upon such bonds because their resources are externally provided, particularly when the organisation is no longer based within the territory, the bonds become shallower and they become less sensitive to the impact of their struggle on the community. This increases the likelihood that they will lose community support for their struggle, a circumstance which leads to the failure of the VNS.¹⁰⁸ The PLO's leadership base in distant Tunisia following eviction from Beirut in 1982 resulted in surprise when the First *Intifada* (uprising) began in December 1987; its reaction was delayed by almost a month. This delayed response was not shared by Islamists inside the OPT.¹⁰⁹

Solutions

A requirement for strategies designed to resolve these problems is that the cost of hiring and retaining the agent be less than the cost of re-contracting or creating a new agent for the principal.¹¹⁰ This differential provides the agent with the leverage it needs to manipulate the relationship. Hawkins et al. identify four strategies for minimising the effectiveness of principal control mechanisms: "interpreting principal mandates and other rules prior to delegation, reinterpreting those rules once states have delegated, expanding permeability (to

¹⁰⁵ Salehyan, "The delegation of war," 507.

¹⁰⁶ Ibid., 508.

¹⁰⁷ Ibid., 507.

¹⁰⁸ Ibid.

¹⁰⁹ Sayigh, *Armed struggle*: 607, 14-15. The Islamists first communication vis-à-vis the Intifada took place on December 10th, two days after an Israeli agricultural vehicle killed four Palestinian workers from Gaza.

¹¹⁰ Hawkins and Jacoby, "How agents matter," 203.

non-principal third parties) and buffering (creating barriers to principal monitoring of agents).”¹¹¹

Interpretation and reinterpretation are important in manipulating the principal’s screening processes. In order to convince a principal to contract, an agent attempts to interpret the principal’s preferences favourably.¹¹² Once the relationship is formed however, the agent may subtly reinterpret the mandate given to them. The majority of the time, the cost of searching for or creating a new agent is greater than the cost of reinterpretation for the principal. Hence, this strategy works well to increase an agent’s autonomy if it is carried out in a discrete manner.¹¹³ During the first Gulf War (1991), both Hamas and the PLO were caught between supporting Iraq and supporting the rest of the Arab world. Hamas more successfully negotiated this divide than the PLO satisfying the demands of one regime without negatively impacting its relations with any other. Hamas not only criticised Saddam Hussein for invading a fellow Arab state, necessary to maintain close ties with Kuwait and other Arab donors, but also continued to criticise the USA as the ‘real enemy’, necessary to retain the support of its own constituents and Iran.¹¹⁴ Due to the annual \$48 million the PLO received from Iraq, its stance was much less coherent than Hamas’, although not quite as “unambiguously pro-Iraqi”¹¹⁵ as portrayed in the Western media. The success of such a strategy is dependent on both the states’ access to diverse options as well as the permeability of the agent. The PLO’s interpretation of its mandate during the Gulf War failed largely due to the existence of an alternative – Hamas.

Permeability to third-parties enables agents to choose the course of action amenable to the party whose interests most closely align with the agent’s own interests. It increases agent autonomy as sanctions become less effective when the shortfall is redressed by other

¹¹¹ Ibid., 202.

¹¹² Ibid.

¹¹³ Ibid., 207.

¹¹⁴ Hisham Ahmed, "The evolution of Hamas in Palestinian society: Domestic, regional and international determinants," in *Pathways out of terrorism and insurgency: The dynamics of terrorist violence and peace processes*, ed. L Germani and D Kaarhikeyan (Berkshire: New Dawn Press Group, 2005), 81.

¹¹⁵ Nigel Parsons, *The politics of the Palestinian Authority: From Oslo to al-Aqsa* (Oxon: Taylor and Francis Group, 2005). 42.

parties.¹¹⁶ It also cushions the agent against unprovoked termination, such as that which led the Nicaraguan Contras to engage in peace talks.¹¹⁷ After 2003, Hamas began to lose funding from Arab countries, particularly Saudi Arabia in response to pressure from the USA and domestic terror incidents.¹¹⁸ However, its permeability paid off as Iran picked up the slack, limiting the short-term impact of the change.¹¹⁹

Buffering monitoring of the agent is useful in resolving problems of restricted autonomy.¹²⁰ Bureaucratic structures are designed in a manner which raises the costs of monitoring. Buffering also involves reporting activities in a ‘ceremonial’ manner which lacks depth, but which, nevertheless, satisfies the principal.¹²¹ It is very effective in state-VNS relationships because intensive monitoring endangers the state’s plausible deniability.¹²² This mechanism works well because the principal’s evaluation of the costs becomes distorted by monitoring failures, increasing the amount of inefficiency the relationship can withstand before the contract is terminated by the principal.¹²³

The Oslo Accords delegated authority from Israel to the PNA for, among other things, policing. Clauses in the agreements required the PNA to cooperate with Israel on matters of intelligence and counter-terrorism. All information gathered about terrorist actions was to be shared with Israel.¹²⁴ After the Palestinian police took over the ‘self-rule’ areas, Shin Beth, the Israeli Security Agency, was reliant upon their intelligence-gathering as its informant network diminished. However, Israel was never satisfied with the amount of intelligence-sharing.¹²⁵ One of the reasons was the complex bureaucratic structure of the

¹¹⁶ Mona Lyne, Daniel Neilson, and Michael Tierney, "Who delegates? Alternative models of principals in development aid," in *Delegation and agency in international organizations*, ed. Darren Hawkins, et al. (Cambridge: Cambridge University Press, 2006), 58.

¹¹⁷ Salehyan, "The delegation of war," 507.

¹¹⁸ Byman, *Deadly connections*; Jonathan Schanzer, "The Iranian gambit in Gaza," *Commentary* 127, no. 2 (2009): 32.

¹¹⁹ ———, "The Iranian gambit in Gaza," 32; Daniel Byman et al., *Iran's security policy in the post-revolutionary era* (Santa Monica: RAND, 2001). 93.

¹²⁰ Hawkins and Jacoby, "How agents matter," 212.

¹²¹ *Ibid.*, 211.

¹²² Byman and Kreps, "Agents of destruction?," 10.

¹²³ Hawkins and Jacoby, "How agents matter," 212.

¹²⁴ Gaza-Jericho Agreement 1994

¹²⁵ Brynjar Lia, *A police force without a state: A history of the Palestinian security forces in the West Bank and Gaza* (Reading: Garnet Publishing Limited, 2006). 275.

Palestinian police with numerous overlapping and competing institutions involved in intelligence-gathering.¹²⁶ However, deliberate obstruction was also common and was most successful in the turning of collaborators, compromising Israel's monitoring ability.¹²⁷

Parsons refers to the institutional obstruction of Israeli interest as 'bureaucratic resistance'.¹²⁸ In PA terminology, it is buffering if the goal is to obstruct monitoring capabilities.

To ensure the survival of the agent beyond the end of a contract, VNSs are also turning to business, legal and illegal.¹²⁹ This not only ensures the survival of the agent, but, as with permeability to third parties, increases its autonomy from the principal because sanctions become less effective. Undertaking these activities, particularly legal activities, within their own communities, helps VNSs to maintain bonds with said communities.¹³⁰ Hezbollah is one VNS that has begun to accumulate alternative funding sources to state sponsorship which include legal and criminal enterprises. The organisation has been linked to everything from human, arms, diamonds and drugs trafficking to money-laundering and counterfeiting¹³¹. Many of these enterprises occur overseas within the Shia Diaspora allowing Hezbollah to also maintain its ability to fundraise within the community. Non-criminal enterprises include the sale of Hezbollah merchandise such as flags, perfume, video-games, CDs and so on.¹³²

Finally, to control subordinates, VNS leaders use the same control mechanisms used by their state partners to maintain checks on their subordinates.¹³³ Problems arise because the preferences of the organisation's leaders, which are not necessarily unified, may also differ

¹²⁶ Ibid., 307.

¹²⁷ Nigel Parsons, "The Palestinian Authority security apparatus: Biopolitics, surveillance, and resistance in the occupied Palestinian territories," in *Surveillance and Control in Israel/Palestine: Population, Territory, and Power*, ed. Elia Zureik, David Lyon, and Yasmeen Abu-Laban (Oxon: Routledge, 2011), 363.

¹²⁸ Ibid., 356.

¹²⁹ J Giraldo and H Trinkunas, "The political economy of terrorism financing," in *Terrorism financing and state responses: A comparative perspective*, ed. Jeanne Giraldo and Harold Trinkunas (Stanford: Stanford University Press, 2007), 9.

¹³⁰ Salehyan, "The delegation of war," 508. It is possible that underaking illegal activities will alienate much of the community.

¹³¹ Levitt, "Hezbollah finances," 144-48.

¹³² Martin Rudner, "Hizbullah Terrorism Finance: Fund-Raising and Money-Laundering," *Studies in Conflict & Terrorism* 33, no. 8 (2010): 706.

¹³³ See p.22-26 for more on principal control mechanisms.

from mid-level or grassroots members. Documents confiscated by the Israeli Defence Forces during Operation Defensive Shield showed that PLO attack planners were paid up to eight times as much as the families of those who actually carried out the attacks, demonstrating a preference divergence between the more ideologically committed operatives and those who value monetary incentives.¹³⁴

2.4 Conclusion

PA analysis is based upon the concept of a conditional grant of authority known as delegation. States grant authority to VNSs because they receive a number of benefits including expertise, credible commitments, plausible deniability and foreign and domestic legitimacy. Agents accept such grants because through providing funding, training and shelter, the principal helps them overcome the asymmetric power between them and the 'enemy' state through providing funding, training and shelter. Despite these benefits, both the principal and agent face a number of problems. Agents seek to maximise the amount of freedom they have to choose their actions, also called discretion. They do so through interpreting and reinterpreting their mandate, buffering, and increasing their permeability to third parties. Up until 2006, these strategies worked remarkably well for Hamas. Agents also face other costs, including the exacerbation of internal divisions and desensitisation from their community. However, in its relationship with Iran, Hamas has suffered less seriously from these last two issues than other VNSs.¹³⁵ Principals, in turn, seek to maximise the amount of control they retain over their agent's actions without impeding the agent's abilities in order to prevent adverse selection and slack from occurring. In order to do this, principals use mechanisms such as screening and selection, multiple agents to check and balance each other, monitoring, and sanctioning. Iran has used all of these strategies in its relationship with Hamas. Nevertheless, slack occurs regularly in state-VNS relationships because the exertion of control is weighted against the chance of discovery. Furthermore, because the state only interacts with the VNS leadership, they have little control over the grassroots membership in the delegation chain and must, therefore, rely on

¹³⁴ Jacob Shapiro and David Siegel, "Underfunding in terrorist organizations," *International Studies Quarterly* 51, no. 2 (2007): 411-12.

¹³⁵ See chapter 8.2 for more on this.

the VNS leadership to keep them under control. Despite the costs, as long as contracting remains of greater benefit than the next best alternative, the relationship will remain steady. For Iran and Hamas, this has so far been the case. The Literature Review in the following chapter presents the case for why this relationship should be studied and why PA analysis is the appropriate tool to do so.

3 Literature Review

Given the controversial nature of the Iran-Hamas relationship, the contested nature of scholarship on the Middle East in general, and the Israeli-Palestinian conflict in particular, plus the reliance of this thesis on that scholarship, a review of the literature is necessary. Although some researchers are producing high quality work based on empirical analysis, particularly in area studies, much of the literature on the Middle East eschews theory, and this is particularly true of terrorism studies. Scholarship on both Iran and Hamas suffers from this lack. It is, therefore, important to demonstrate that PA analysis is both rigorous and appropriate to the study of the Iran-Hamas relationship, particularly since calls for PA analysis to look at VNS/state relationships is couched in the literature of the USA's 'war on terror' within which analyses of Hamas are often erroneously incorporated. Thus, this chapter begins with a review of the literature on PA analysis, examining scholarship on the Middle East and Iranian foreign policy, and concludes with an evaluation of terrorism studies and Hamas.

3.1 PA literature

Given its foundation in rational choice theory, it is unsurprising that PA analysis was created by economic theorists. In 1937, Coase used it to understand the concept of the firm.¹ The model was successful in explaining business relationships so when rational choice theory made the leap from economics to politics in the 1980s, it was adapted and applied to the political realm.² The transition was made by political scientists, such as Weingast and McCubbins and Schwartz, attempting to understand the relationship between voters and government institutions in the USA.³ From there, it transitioned to the

¹ Ronald Coase, "The nature of the firm," *Economica* 4, no. 16 (1937).

² Andy Hindmoor, "Rational Choice," in *Theory and Methods in Political Science*, ed. David Marsh and Gerry Stoker (New York: Palgrave Macmillan, 2010), 43.

³ Barry Weingast, "The congressional-bureaucratic system: a principal agent perspective (with applications to the SEC)," *Public Choice* 44, no. 1 (1984); Mathew McCubbins and Thomas Schwartz, "Congressional oversight overlooked: Police patrols versus fire alarms," *American Journal of Political Science* 28, no. 1 (1984).

international arena and the relationship between states and IOs like the World Bank and European Union.⁴

The attraction of using the model to study IOs lies in its synthesis of a number of different theoretical traditions. According to O'Keefe, its foundation in rational choice theory readily integrates it into rational choice institutionalism, a political science methodology suggesting institutions influence behaviour by altering the environment in which preference maximisation strategies are chosen.⁵ In the PA relationship, those rules and regulations are found within the contract between parties.⁶

However, PA analysis is more flexible than rational choice institutionalism as actors are not assumed to be omniscient or wholly materialistic.⁷ The convergence or not of principal and agent preferences allow insights from the constructivist school of thought to be incorporated into the model.⁸ Thus, underlying ideological beliefs are integrated into the overarching rational strategic calculus. (Neo)liberal and (neo)realist schools of IR can also be utilised within this framework, providing insight into the international context within which the relationship takes place, allowing us to determine when and why the actors' differing preferences change, and why the rational benefits Hamas and Iran gain from their association are so significant. This synthesis of a number of different research traditions, in

⁴ Kassim and Menon, "Study of the European Union."; Pollack, "Delegation, agency, and agenda setting."; Marc Thatcher and Alec Sweet, "Theory and practice of delegation to non-majoritarian institutions," *West European Politics* 25, no. 1 (2002); Dunlop and James, "Principal-Agent modelling."; Nielson and Tierney, "Delegation to International Organizations."; Grant and Keohane, "Accountability and abuses of power."; Brown, "Measuring Delegation."; Darren Hawkins et al., eds., *Delegation and agency in international organizations* (Cambridge: Cambridge University Press, 2006).

⁵ Christopher O'Keefe, "Values, Institutions and Structures: Islam, democracy and hegemony at the Islamic Development Bank," in *Midwest Political Science Association Meeting* (Chicago 2004), 6; Vivien Lowels, "Institutionalism," in *Theory and Methods in Political Science*, ed. David Marsh and Gerry Stoker (Hampshire: Palgrave Macmillan, 2002), 95.

⁶ Braun and Guston, "Principal-agent theory and research policy," 303.

⁷ Hawkins et al., "Delegation under anarchy," 7.

⁸ O'Keefe, "Values, Institutions and Structures," 7; David Marsh and Paul Furlong, "A skin not a sweater: Ontology and epistemology in political science," in *Theory and Methods in Political Science*, ed. David Marsh and Gerry Stoker (Hampshire: Palgrave Macmillan, 2002), 39-40; Michael Tierney and Catherine Weaver, "Principles and Principals?," 10, 12. Constructivism does not accept individual preferences as the basis for political decisions; the world is socially constructed and the complexity of decision-making taking place within a normative framework.

contrast to the traditional polarisation of research traditions, increases the robust nature of the study by increasing its analytical flexibility and widening its literary base.⁹

Recently, PA analysis was used to analyse less licit relationships. The transition was first made by scholars like Shapiro looking at relationships between the leadership, the middlemen and the activists in VNSs like al-Qaeda.¹⁰ PA analysis translates easily from its origin in economics to this setting because the same relationships exist within organisations be they licit or illicit. However, an illicit contract is more detrimental to principal control than a licit contract because legal enforcement is unavailable as an inducement for the agent to uphold said contract.

Salehyan and Byman and Kreps are now calling for the model to be used further up the delegation chain with VNS-state relations.¹¹ Byman and Kreps argue that PA analysis is better able to determine the strengths and weaknesses of the relationship and, hence, is better placed to inform counter-insurgency tactics.¹² Such an argument suggests a political/military agenda for policy implementation couched in the terminology of the ‘War on Terror’ and assumes the relationship is illegitimate, not just illicit. However, PA analysis has the potential to do more than treat a symptom. It can also help us understand why the relationship exists because the benefits and costs are placed within the context of the next best alternative to the relationship.¹³ Thus, instead of solely looking at the strengths and weaknesses of the relationship for reactionary military policy, policy outcomes could be preventive and/or diplomatic.

As Salehyan suggests, PA analysis has greater explanatory power than conventional models of international conflict. The USA intervened directly in Afghanistan in 2001 but, in the

⁹ David Lake, "Why "isms" are evil: Theory, epistemology, and academic sects as impediments to understanding and progress," *International Studies Quarterly* 55, no. 2 (2011), 472.

¹⁰ Shapiro and Siegel, "Underfunding in terrorist organizations."; Joseph Felter et al., "Harmony and disharmony: Exploiting al-Qa-ida's organizational vulnerabilities," (West Point: Combating Terrorism Centre, 2006).

¹¹ Byman and Kreps, "Agents of destruction?."; Salehyan, "The delegation of war."

¹² Byman and Kreps, "Agents of destruction?," 2.

¹³ See p.13-14 for an explanation of the next best alternative.

1980s, chose to fund insurgencies there instead.¹⁴ Current explanations can be unsatisfactory, failing to explain why a state “in whole or in part—delegate to proxy forces, the costs and benefits of doing so, and how external support changes the nature of the insurgency.”¹⁵ It is, perhaps, obvious that the costs of direct interference in Afghanistan in the 1980s for the USA were extraordinarily high given such action would have resulted in a confrontation with a superpower. However, that does not explain why the USA chose conventional war in 2001 instead of proxy warfare or any other form of action. The cost of confronting a superpower had disappeared, but, nevertheless, war carried significant risks and costs. A cost-benefit approach, such as PA analysis, would help throw this situation, and others like it, into starker relief. Game theoretic models have been used in IR to calculate costs and benefits before PA analysis. However, they were designed to determine the costs and benefits of inter-state war and did not compare those costs and benefits to other potential actions such as delegating to non-state actors or the use of sanctions.¹⁶ Both these points are pertinent to this case-study because Hamas’ relationships with different states have been ignored because it is a non-state actor.

Furthermore, most literature on international conflict is state-centric.¹⁷ The assumption is that states are the dominant actors in the international arena and are the actors from which threats emanate.¹⁸ Therefore, the unit of analysis should be the state. Although this assumption is increasingly challenged as inter-state war has declined, the literature on international conflict has yet to catch up.¹⁹ While much PA literature on non-state actor relations with states is also state-centric, as is Byman and Kreps’ article, it is not by nature state-centric.²⁰ The framework has the capacity to analyse not just the state’s strategies, but the non-state actor’s strategies too. Indeed, while the autonomy of agents was underrepresented in early works in 1992 and 1993 such as Garret and Weingast, later works

¹⁴ Salehyan, "The delegation of war," 493.

¹⁵ Ibid., 496.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Raymond Hinnebusch, "Introduction " in *The Foreign Policies of Middle East States*, ed. Raymond Hinnebusch and Anoushiravan Ehteshami (Boulder: Lynne Rienner Publishers, Inc., 2002), 1.

¹⁹ Salehyan, "The delegation of war," 494.

²⁰ Byman and Kreps, "Agents of destruction?."

have been much more sensitive towards agent strategies.²¹ Hawkins and Jacoby demonstrate this in a chapter outlining possible agent strategies to evade principal controls.²² Although Hawkins and Jacoby were referring to licit agents, their strategies will also be useful in analysing Hamas' actions vis-à-vis Iran. Salehyan also discusses the benefits and costs of PA relationships for VNS agents.²³

In summary, PA analysis made the leap from economics to politics in the late 1980s. In the early 2000s, the focus turned to IOs. It is more flexible than traditional methods for studying political institutions because actors are not assumed to have wholly material interests. Recently, PA was recognised as a useful lens through which to study VNSs. First, PA analysis was used to study the internal dynamics of VNSs, similar to the way in which firms were studied in the 1930s. Now the transition is being made to study VNS-state relations, of which the Iran-Hamas relationship is one. The reason for this transition is two-fold. Firstly, current studies looking into international conflict fail to understand the costs and benefits of conflict in the context of the next best alternative. Secondly, the state-centric bias of current IR theory has prevented serious analysis of VNS-state relations. PA theory can remedy this gap because it analyses the costs and benefits from the perspective of the agent, Hamas, as well as the state, Iran.

3.2 IRI foreign policy literature

Despite the number of words written on Iranian foreign policy, there is a paucity of explicit theoretical literature on this topic and the Middle East in general.²⁴ In fact, following Edward Said's critique of 'orientalism', Gerges, over a decade later, suggested the literature

²¹ Pollack, "Red herrings, theoretical clarifications, and empirical disputes," 6; Geoffrey Garret and Barry Weingast, "Ideas, interests and institutions: Constructing the European Community's internal market," in *Ideas and Foreign Policy: Beliefs, Institutions and Political Change* ed. Judith Goldstein and Robert Keohane (Ithaca: Cornell University Press, 1993).

²² Hawkins and Jacoby, "How agents matter."

²³ Salehyan, "The delegation of war," 506-509

²⁴ Thomas Juneau, "Power, perceptions, identity and factional politics: A neoclassical realist analysis of Iranian foreign policy, 2001-2007," in *Annual Meeting of the Canadian Political Science Association* (Ottawa2009), 7.

on the Middle East had an “anti-theoretical tendency.”²⁵ Critique was intense with the explanatory power of area studies questioned.²⁶ However, this critique is exaggerated and much area studies work does take place within a strong theoretical framework.²⁷ A backlash occurred and many area studies specialists argued that a focus on theory comes at the expense of relevance.²⁸ Instead, Tessler et al. argue that only when the descriptive power of in depth case studies is combined with the explanatory power of theory is productive scholarship generated.²⁹

Nevertheless, the lack of theory is problematic for studying Iran-Hamas relations because the majority of literature on IRI foreign policy is focused on nuclear policy, relations with the USA, ideology, or the IRI’s relationship with Hezbollah. Two people who have written specifically on the Iran-Hamas relationship are Ramana and Katzman.³⁰ Others treat the subject as a side-issue affecting broader concerns such as USA foreign policy, as an appendage to a discussion of Iran and Hezbollah, state sponsorship of terrorism, or even on how it affects Hamas’ strategic calculus.³¹ The limited amount of academic writing on the relationship combined with the conceptual informality of existing writing makes the PA

²⁵ Fawaz Gerges, "The study of Middle East international relations: A critique," *British Society for Middle Eastern Studies. Bulletin* 18, no. 2 (1991): 215; Edward Said, *Orientalism* (London: Penguin, 1995).

²⁶ Andrea Teti, "Bridging the Gap: IR, Middle East Studies and the Disciplinary Politics of the Area Studies Controversy," *European Journal of International Relations* 13, no. 1 (2007), 119; Mark Tessler, Jodi Nachtwey, and Anna Banda, "Introduction: The area studies controversy," in *Area studies and social science: Strategies for understanding Middle East politics*, ed. Mark Tessler, Jodi Nachtwey, and Anna Banda (Indiana: Indiana University Press, 1999), viii.

²⁷ ———, eds., *Area studies and social science: Strategies for understanding Middle East politics* (Indiana: Indiana University Press, 1999), ix

²⁸ Kramer, 2001, as cited in Pinar Bilgin, "Is the 'Orientalist' past the Future of Middle East Studies?," *Third World Quarterly* 25, no. 2 (2004): 424; Tessler, Nachtwey, and Banda, "The area studies controversy," xv; Teti, "Bridging the Gap," 117.

²⁹ Tessler, Nachtwey, and Banda, "The area studies controversy," viii.

³⁰ Siddharth Ramana, "The Hamas-Iranian relationship and its trans-national impact," *WorldAnalysis* [online], http://scholar.google.co.nz/scholar?cluster=3686357381031284264&hl=en&as_sdt=0,5; Kenneth Katzman, "Hamas's foreign benefactors," *Middle East Quarterly* 2, no. 2 (1995), <http://www.meforum.org/251/hamass-foreign-benefactors>.

³¹ Khaled Hroub, *Hamas: Political thought and practice* (Washington DC: Institute for Palestine Studies, 2000); Shay, *The axis of evil*; Matthew Levitt, *Hamas: Politics, charity and terrorism in the service of jihad* (Virginia: The Washington Institute for Near East Policy, 2006); ———, "Hezbollah finances."; Gawdat Baghat, "Terrorism in the Middle East," *The Journal of Social, Political and Economic Studies* 32, no. 2 (2007).

framework useful. On the one hand, it is grounded in a strong theoretical tradition, but, as Byman suggests (and crucially for this thesis), it also has practical applications.³²

Despite the problems mentioned above, the literature does contribute to our understanding of general foreign policy formulation in the IRI. The IRI's foreign policy has changed significantly over the last three decades. Mozaffari refers to the 'revolutionary' (1979-1989), 'thermidorian' (1989-1997) and 'enigmatic' (1997-2005) phases in IRI foreign policy.³³ The argument is that while Khomeini was the *Faqīh* (Supreme Leader), the IRI challenged the existing international system and wanted to 'export the revolution'. After he died and the Iran-Iraq war ended, the IRI entered the thermidorian phase.³⁴ This is a phase where the energy of the revolutionary phase is institutionalised and moderated. This occurred with the reinterpretation of Khomeini's ideology by the new leaders (Khamenei and Hashemi Rafsanjani), increasing pragmatism and prioritisation of the economy. This is where the dichotomy between national and revolutionary interest, articulated by Byman et al., Ramazani, Shay, Takeyh and Menashri, derives from.³⁵ The enigmatic era began with Mohammed Khatami's election as president and is distinguished by greater conciliatory policies (at least until Mahmoud Ahmadinejad's election in 2005).

Although Abedin suggests that both scholars and the regime itself have failed to define Iran's national interest, two goals can be identified upon which Iran's national interest is based.³⁶ Firstly, it seeks to ensure its security within the region despite being a non-Arab nation. As is noted by Byman et al. and Ehteshami, security is not just territorial, it is also

³² Byman and Kreps, "Agents of destruction?," 3. See p.37 for more detail.

³³ Mehdi Mozaffari, "Revolutionary, Thermidorian and Enigmatic Foreign Policy: President Khatami and the 'Fear of the Wave'," *International Relations* 14, no. 5 (1999), 9.

³⁴ *Ibid.*, 14.

³⁵ Byman et al., *Iran's security policy*: 8-9; R. K. Ramazani, "Ideology and Pragmatism in Iran's Foreign Policy," *Middle East Journal* 58, no. 4 (2004), 556; Raymond Takeyh, *Guardians of the revolution: Iran and the world in the age of the Ayatollahs* (Oxford: Oxford University Press, 2009), 2; Menashri, "Iran's regional policy," 155.

³⁶ Parsi, *Treacherous Alliance*: 100; Mahan Abedin, "The Domestic Determinants of Iranian Foreign Policy: Challenges to Consensus," *Strategic Analysis* 35, no. 4 (2011): 615; Frederic Wehrey et al., *Dangerous but not omnipotent: Exploring the reach and limitations of Iranian power in the Middle East*, (Santa Monica: RAND Corporation, 2009), <http://www.rand.org/pubs/monographs/MG781.html>, xvi; Byman et al., *Iran's security policy*: 10; Takeyh, *Guardians of the revolution*: 2.

economic.³⁷ Secondly, not only is security necessary but also prestige as Iran's geostrategic position in the region suggests it should hold a leadership position.³⁸ Byman suggests that the desire for prestige is predominantly an ideological concern.³⁹ However, as Parsi demonstrates, regional dominance was a concern for Iran prior to the Islamic Revolution, and is a matter of national pride.⁴⁰

Revolutionary interest is founded upon Khomeini's unique philosophy, combining Shia Islam with new concepts such as *vilāyat-i faqīh*.⁴¹ *Vilāyat-i faqīh* is a concept unique to Iran. It translates to 'Guardianship of the jurist'. Only the most senior religious clerics have the right to rule the state. The Faqīh as Supreme Leader needs to have strong religious authority. 'Exporting the revolution,' like in other revolutionary states, became a significant issue (although for the most part it failed).⁴² This meant paying heed not only to Iran's self-interest, but the interests of the Islamic world at large. These interests included maintaining independence from Western powers, resolving the plight of Palestinians, and attaining Islamic control over holy sites in Jerusalem.⁴³

Historically, national interest always received precedence regardless of which faction was in power.⁴⁴ Mozaffari notes the importance of exogenous forces to the IRI's foreign policy. However, where Mozaffari suggests that the national interest only became of concern after the end of the revolutionary era, Parsi suggests it has been of importance since the creation of the IRI but that the changing strategic environment altered the means through which achieving it was possible, noting the absence of support for Palestine in the 1980s despite rhetoric.⁴⁵ He even suggests the dichotomisation of national and revolutionary interest misses the point. Evidence suggests Iran hides its actions in pursuit of national interest

³⁷ Byman et al., *Iran's security policy*; Anoushiravan Ehteshami, "The foreign policy of Iran," in *The Foreign Policies of Middle East States*, ed. R Hinnebusch and A Ehteshami (Boulder: Lynne Rienner, 2002), 286.

³⁸ Parsi, *Treacherous Alliance*: 100.

³⁹ Byman, *Deadly connections*: 43.

⁴⁰ Parsi, *Treacherous Alliance*: 38.

⁴¹ Ervand Abrahamian, *Khomeinism: Essays on the Islamic Republic* (Berkeley: University of California Press, 1993), 17.

⁴² Mozaffari, "Revolutionary, Thermidorian and Enigmatic Foreign Policy," 10.

⁴³ Parsi, *Treacherous Alliance*: 100.

⁴⁴ Shay, *The axis of evil*: 28.

⁴⁵ Parsi, *Treacherous Alliance*; ———, "The Iranian challenge," 24.

behind a veneer of ideological rhetoric to overcome the Sunni Arab-Shia Persian divide necessary to achieve its national interests.⁴⁶ That is, ideology does not so much determine Iran's revolutionary goals as act as a tool for achieving its national interest. This contributes to the uncertainty cost for Hamas (see p. 29 and 124-125).

There are significant negative consequences from maintaining the ideological facade. It is often difficult for outsiders to isolate rhetoric from action, particularly given the methodological difficulty in gaining access to decision-makers. The problem is then compounded by a lack of theoretical framing in much scholarly analysis. In the 1980s, the prevailing logic, as illustrated by Sobhani, suggested that Iran's ancient conflict with the Arab world and current geopolitical realities made the 'peripheral doctrine' a necessity for security.⁴⁷ Therefore, when Iran did not follow this logic, it was deemed irrational and ideological as Mozaffari suggests.⁴⁸ Israel also had a vested interest in convincing the world of Iran's irrationality after the end of the Cold War.⁴⁹

This logic lost sway and the pragmatic character of the regime is now recognised.⁵⁰ However, some people, like Takeyh, still place emphasis on the ideological, despite giving lip service to the IRI's pragmatism.⁵¹ A number of authors, such as Shay, continue to exploit the lack of primary source information in order to manipulate interpretations of Iran and other actors' actions to convince their audiences of these actors' malevolence as is demonstrated in Shay's book *The Axis of Evil: Iran, Hizballah, and the Palestinian Terror*.⁵² The prevailing view is that foreign policy is a battle between the ideological and

⁴⁶ ———, *Treacherous Alliance*: 3.

⁴⁷ Sohrab Sobhani, *The Pragmatic Entente: Israeli-Iranian Relations, 1948-88*, (New York: Praeger, 1989). The peripheral doctrine states that because Turkey, Iran and Israel are the only non-Arab states in the region, they need to cooperate in order to contain the Arab bloc.

⁴⁸ Mozaffari, "Revolutionary, Thermidorian and Enigmatic Foreign Policy," 10.

⁴⁹ Parsi, "Israel and the origins of Iran's Arab option," 494.

⁵⁰ Cf. Ramazani, "Ideology and Pragmatism," 556; Jalil Roshandel, "Iran's foreign and security policies: How the decisionmaking process evolved," *Security Dialogue* 31, no. 1 (2000), 105; Wehrey et al., *Dangerous but not omnipotent*: 10-11; R. K. Ramazani, "Iran's Foreign Policy: Contending Orientations," *Middle East Journal* 43, no. 2 (1989), 202; Parsi, *Treacherous Alliance*: xi; Takeyh, *Guardians of the revolution*: 2; Volker Perthes, "Ambition and fear: Iran's foreign policy and nuclear programme," *Survival* 52, no. 3 (2010), 98; Shahram Chubin, *Iran's nuclear ambitions*, vol. 1 (Carnegie Endowment for Intl Peace, 2006), 136; Ehteshami, "The foreign policy of Iran," 284.

⁵¹ Raymond Takeyh, "Iran, Israel, and the politics of terrorism," *Survival* 48, no. 4 (2006).

⁵² ⁵² Shay, *The axis of evil*.

the pragmatic political factions leading to contradictory actions such as outlined by Ehteshami, Ramazani and Menashri.⁵³ This contrasts with Parsi's concept of a coherent multi-layered strategy that differentiates between rhetoric and operational policy, although he recognises the impact factionalism had on the creation of this policy.⁵⁴

In the early 1990s, Iran's national and revolutionary interests coincided. The end of the Cold War and Gulf War increased Iran's standing in the region. Iran no longer feared Iraq or the atheistic threat from the Soviet Union and was now one of the most powerful countries in the region.⁵⁵ However, to receive the respect and deference it deserved, Iran needed to unite the Arab world around a larger threat than itself (Israel). By doing so, Iran could increase its support with Arab publics and, thereby, increase ties with their governments due to fear of internal uprisings. This is why ideological rhetoric against Israel continued.⁵⁶ Yet, very few scholars have recognised this fact, even when they recognise pragmatism in other areas of Iran's foreign policy. For instance, Menashri acknowledges that national interest dominated the IRI's pro-Armenian actions with regards to the Azeri-Armenian conflict despite Azerbaijan being the only Shia Republic in the former Soviet Union. However, he still claims that ideology, though weakening, dominated Iran's Israel policy during the 1990s.⁵⁷

According to Parsi, the twin threats of Iraq and the Soviet Union were also Israel's. Now that they were gone, Israel began to perceive Iran as the only sovereign state threat to its security. This is why Israel began to denounce the IRI and eventually convinced the USA that Iran was also a threat to it.⁵⁸ Thus, efforts were made to isolate and reduce Iran's regional influence. These efforts began with Iran's exclusion from the 1991 Madrid conference and 'dual containment' swiftly followed.⁵⁹

⁵³ Ehteshami, "The foreign policy of Iran," 299; Ramazani, "Ideology and Pragmatism," 556; Menashri, "Iran's regional policy," 156.

⁵⁴ Parsi, *Treacherous Alliance*: 100.

⁵⁵ *Ibid.*, 139.

⁵⁶ Parsi, "Israel and the origins of Iran's Arab option," 501.

⁵⁷ Menashri, "Iran's regional policy," 156-157.

⁵⁸ Parsi, *Treacherous Alliance*: 158-159.

⁵⁹ See p.15 for a discussion of dual containment.

However, while the Israeli-Palestinian conflict lasted, dual containment would fail as Arab leaders were unable to enforce the policy due to strong anti-Israel sentiment on the streets.⁶⁰ Even with Egypt and Jordan, a state of ‘cold peace’ existed which prevented close collaboration on dual containment despite their peace agreements of 1979 and 1994.⁶¹ However, when the Oslo Accords were signed by Israel and the PLO, it was greeted with a mixture of hope and scepticism by Arabic publics. Had the peace process succeeded, a real peace would have been possible. This made isolation a threat for Iran because if Israel is not perceived as a threat by the Arab publics, suspicion will centre on Iran. Thus, disrupting the Accords became a first object (although other factors were perhaps more vital in their eventual failure, such as continuing settlement expansion in the West Bank and Jerusalem).⁶² Where strategy made destroying the peace process a necessity, Khomeini’s ideology legitimised support for the Palestinian organisations.⁶³

This strategic logic remained remarkably intact throughout the 1990s and 2000s. Most Arab states, with the exception of Iraq and Syria, remained more or less aligned to the West and their publics remained opposed to Israel while settlement expansion accelerated and the peace-process failed. Despite a minor détente with the USA in the early 2000s, American opposition to the IRI was confirmed in the Axis of Evil speech in 2002. Although worried about the growth of the USA’s influence in the region after the Afghanistan and 2003 Iraq war, Iran’s dominance in the region continued to grow as its principal regional threats were weakened and the USA foundered against insurgency campaigns. The literature on the impact of these events on Iran’s regional position and its foreign policy is reasonably unified.

In 2011, the regional environment changed. Domestically, Iran is so far unscathed by the turmoil in the Middle East despite a small renewal of protest within the country; the regime learned the art of repression during the 2009 post-election protests and the opposition has

⁶⁰ Parsi, "The avoidable war," 80.

⁶¹ A ‘cold peace’ refers to a situation where force remains a strategic option although violence is not currently present or imminent. “Formal peace agreements exist between (or among) the parties, but their relations are limited to the inter-governmental level, within the realm of security and political cooperation.” Arie Kacowicz, *Stable peace among nations* (Rowman & Littlefield, 2000), 20.

⁶² Abram and Singh, "Spoilers," 72.

⁶³ Shay, *The axis of evil*: 3.

still not fully regenerated.⁶⁴ However, revolutions occurred in Egypt and Tunisia and their governments had previously been allied with the West even if their populations were not. Mass protest occurred in others, Yemen, Bahrain, Syria and Jordan, which weakened the governments even as they survived (for the time being). Many of the countries fielding uprisings are of strategic importance to the region, particularly Egypt, Saudi Arabia and the Gulf Cooperation Council (GCC), and Syria. Thus, these events may generate a change in the policies Iran uses to achieve its foreign policy goals by changing the costs, benefits, and probabilities for success of each foreign policy option. Iran's ends have not changed, but the means might have. If so, there will be consequences for Iran's relationship with Hamas.⁶⁵

The analysis of what change the Arab spring sparked is still being debated. Peer-reviewed work is typically slow in production and publication. However, a sprinkling of articles is now available: Parchami writes about how the Arab spring is perceived in Iran; Ehteshami and Süleyman touch on the divergence in Turkish-Iranian interests over Syria; Kamrava looks at how the Arab spring has affected relations between the GCC and Iran; and Albioni reflects on the how the Arab spring has influenced IR.⁶⁶ There has been more discussion in policy magazines, non-peer reviewed journals such as *Foreign Affairs* and *The Washington Quarterly* and research reports.⁶⁷

⁶⁴ Ali Parchami, "The 'Arab Spring': The view from Tehran," *Contemporary Politics* 18, no. 1 (2012): 44.

⁶⁵ I say 'might' because it is too early to tell definitively whether the incidents so far reflect a long-term alteration in policy.

⁶⁶ Anoushiravan Ehteshami and Süleyman Elik, "Turkey's Growing Relations with Iran and Arab Middle East," *Turkish Studies* 12, no. 4 (2011); Roberto Aliboni, "The International Dimension of the Arab Spring," *The International Spectator* 46, no. 4 (2011); Parchami, "The view from Tehran."; Mehran Kamrava, "The Arab Spring and the Saudi-Led Counterrevolution," *Orbis* 56, no. 1 (2012).

⁶⁷ Dalia Dassa Kaye and Frederic Wehrey, "Arab Spring, Persian Winter," *Foreign Affairs* 90, no. 4 (2011); Robert Tait, "Is Iran still centre of Middle East's 'Great Game'?", *Radio Free Europe/ Radio Liberty*, April 13 2011, http://www.rferl.org/content/is_iran_still_center_of_mideast_great_game/3556457.html; James Kitfield, "Saudia Arabia, Iran Reorient Foreign Policy Amid Middle East Unrest of Arab Spring," *National Journal* (2011); Kenneth M. Pollack and Ray Takeyh, "Doubling Down on Iran," *The Washington Quarterly* 34, no. 4 (2011); Daniel Byman, "Israel's Pessimistic View of the Arab Spring," *The Washington Quarterly* 34, no. 3 (2011); Michael Scott Doran, "The Heirs of Nasser," *Foreign Affairs* 90, no. 3 (2011); ———, "Arab Spring, Persian Winter: Will Iran Emerge the Winner from the Arab Revolt? Doran Replies," *Foreign Affairs* 90, no. 4 (2011); Michael Bauer and Thomas Schiller, "The Arab Spring in 2012," in *C.A.Perspectives* (Munich: Centre for Applied Policy Research, 2012); James Dobbins, "Coping with a Nuclearising Iran," *Survival* 53, no. 6 (2011).

Across these articles, there is a divide between those who believe the Arab spring strengthened Iran, and those who believe it has been problematic. Bauer and Schiller suggest that Iran is in a lose/lose situation; it has already lost credibility on the Arab Street due to its support for the Syrian regime, but if the regime falls, worse will follow with Iran losing its principal Arab ally and the main access point to its VNS agents. Furthermore, they suggest that the secular nature of the uprisings and new revolutionary credentials have contributed to Iran's loss of support on the Arab Street as a revolutionary and pro-Palestinian regime.⁶⁸ Dobbins, Kaye and Wehrey add the point that with popularly elected governments, Iran's strategy to undermine their legitimacy through appealing to the Arab Street is itself undermined because the new governments will not be as close to the USA and Israel.⁶⁹ Cracks in the so-called 'resistance bloc' have also widened due to the uprisings in Syria, placing pressure on Hamas' relationship with Iran and Syria.⁷⁰ Focus is also placed on the deterioration of Iran's relationship with Saudi Arabia and the GCC as increasing Iranian influence in the region and its influence on their domestic Shia populations concerns them.⁷¹ The Egyptian revolution does not make a significant difference to this analysis despite increasing assertiveness towards Israel and the USA.⁷² This is important with regards to Iran and Hamas, because when prospects for regional cooperation decline, as these scholars suggest is happening, Iran's need for Hamas invariably increases.⁷³

In contrast, articles suggesting Iran's position improved place much more emphasis on the transition that occurred in Egypt and Tunisia and rebellion in Bahrain. The revolutions led to a brief *détente* in relations between Iran and Egypt (although the pace of *détente* slowed as Saudi Arabia put pressure on Egypt) and less on the negative effect the Arab spring has had on Iran's street credibility.⁷⁴ Some articles suggest that the secular, democratic nature

⁶⁸ Bauer and Schiller, "The Arab Spring in 2012," 2; Parchami, "The view from Tehran," 46.

⁶⁹ Dobbins, "Coping with a Nuclearising Iran," 40-41; Kaye and Wehrey, "Arab Spring, Persian Winter."

⁷⁰ ———, "Arab Spring, Persian Winter."

⁷¹ Kitfield, "Saudi Arabia, Iran Reorient Foreign Policy."; Alex Vatanka, "A reawakened rivalry: The GCC v. Iran" (paper presented at the A reawakened rivalry: The GCC v. Iran Rayburn House Office Building, 2011).

⁷² Kaye and Wehrey, "Arab Spring, Persian Winter."

⁷³ See chapter 7.1.

⁷⁴ Nigel Parsons, "Palestine through the Arab Spring," in *The Arab Spring: Its origins, implications, and outlook*, ed. B Lynch (Wellington New Zealand Institute for International Affairs, 2011), 24; Tait, "Is Iran

of the uprisings does not automatically suggest a strong Western alliance and, in fact, the removal of Mubarak, as Pollack and Takeyh note, has removed Iran's greatest Arab opponent.⁷⁵ In fact, Albioni suggests that, "The Arab spring is a transition away from the long alliance between the West and the moderate Arab states..."⁷⁶ However, he does mention that this will not necessarily be of benefit to Iran. Furthermore, some commentators, such as Kamrava, are less inclined to believe that the deterioration in Iran-GCC relations is lasting, although it will not necessarily bring them closer either, because the underlying causes for suspicion and cooperation will remain intact, regardless of what happens to Iran's relationship with Syria.⁷⁷ Such an understanding would suggest that Iran's relationship with Hamas would deteriorate slightly if Iran's overall prospects for regional cooperation improve due to the regime change in Egypt.

In summary, a lack of primary data and theoretical rigour lets scholarship of Iranian foreign policy down. There also needs to be more recognition that both the in depth case study and the explanatory power of theory are needed to make productive scholarship. Although the situation has improved since the mid-1990s, Parsi's *Treacherous Alliance: The Secret Dealings of Israel, Iran, and the U.S.* being particularly insightful and full of in depth interviews with policy-makers, there are still some analysts using stereotypes to analyse Iranian actions.⁷⁸ Nevertheless, there are certain points upon which the literature can agree. For instance, Iran's foreign policy is based on both national and revolutionary interest. When these two interests conflict, national interest invariably takes precedence. The literature also more or less agrees on Iran's strategic position throughout the 1990s; dual containment failed due to Iran's ability to appeal to the Arab Street and its increasing position in the region, particularly after the Afghanistan and Iraq wars weakened its primary state threats. However, the regional balance was shaken in 2011 as a result of the Arab spring. There is as yet a limited amount of peer-reviewed literature on the subject; however, analysis in the media and policy circles has been widespread. In these articles,

still centre of Middle East's 'Great Game?', "Radio Free Europe/ Radio Liberty; Parchami, "The view from Tehran," 45; Doran, "The Heirs of Nasser."

⁷⁵ Pollack and Takeyh, "Doubling Down on Iran," 12.

⁷⁶ Albioni, "The International Dimension of the Arab Spring," 9.

⁷⁷ Kamrava, "Saudi-Led Counterrevolution," 101.

⁷⁸ Parsi, *Treacherous Alliance*.

there is a divide between those who believe Iran's position has suffered as a consequence of the Syrian uprising and increased tension with the GCC, and those who believe that the most important change has been in the relationship between Egypt and Iran as tension between the two has diminished. This is of importance to Iran-Hamas relations, because this relationship is based on the failure of regional cooperation to promote Iranian interests. Should prospects for cooperation improve, the Iran-Hamas relationship will likely deteriorate and vice versa.

3.3 Hamas literature

Despite the media and political attention Hamas was receiving, Robinson stated, in 1997, that it was "one of the least understood social movements today."⁷⁹ Nearly fifteen years later, the amount of research covering the history, organisational structure, goals and work of the organisation has rectified the situation. However, although scholarship within area studies and other disciplines is of high quality, within terrorism studies, there are a number of issues that need to be addressed. This is critical for Hamas as a lot of scholarship on this organisation, rightly or wrongly, takes place within this area.

Scholarship on terrorism is often weakened by an uncritical or absent theoretical framework. This is important when looking at Iran and Hamas as the Israeli-Palestinian conflict and Iranian foreign policy are politically sensitive. In 1976, Zartman said "The Arab-Israeli conflict has been debilitating to scholarship, along with everything else, in the area,"⁸⁰ and Gerges continues, 'it has tended to polarize students of the area and has burned away much of their scholarly detachment.'⁸¹ This trend worsened after the instigation of a 'War on Terror' in 2001, with its black-and-white rhetoric. The absence of theory in much of the literature on terrorism isolates the field from the study of IR, despite its relevance to the area, because many IR and area studies specialists do not want to be identified with

⁷⁹ Robinson, 1995, as cited in Michael Jensen, *The political ideology of Hamas: A grassroots perspective*, trans. S Laird (London: I.B. Tauris & Co Ltd, 2009). 5.

⁸⁰ Zartman, 1976, as cited in Gerges, "Middle East international relations: A critique," 218.

⁸¹ Ibid.

terrorism studies given the breadth of “political bias and analytical shallowness on offer.”⁸² This is why using PA analysis is important for this thesis, situating the discussion within IR by virtue of its prior use in analysing IOs. PA analysis also provides a skeleton around which the analysis of the Iran-Hamas relationship is fleshed out without bias shaping the argument, although theory itself and the reasons it is chosen are subject to bias; “theory is always *for* someone and *for* some purpose.”⁸³

The lack of a theoretical framework allows scholars to ignore historical and socio-political contexts. During the 1990s, an historical understanding of Hamas was almost entirely absent from scholarship on the organisation. This allowed experts, such as Hoffman, to use the ‘new terrorism’ thesis to distort Hamas’ motivations as total war against an innocent state.⁸⁴ It is true that first reference to Hamas is in a public statement released at the beginning of the First Intifada. Signed *Harakat al-Muqawamah al-Islamiyya*, it declared that the Intifada was a rejection of occupation, land confiscations, settlements and containment by Israel.⁸⁵ However, as Mishal and Sela point out, the document was written by the Islamic Centre in the Gaza Strip, a branch of the Egyptian MB movement which began in the mid-1940s.⁸⁶ After almost a decade of debate, the Palestinian MB made the transition to violence as a result of a variety of ideological and societal pressures.⁸⁷

The 1990s’ lack of historical context has eroded, and most scholarship today at least acknowledges the historical roots of the organisation. Nevertheless, the relative weight it is accorded differs. For instance, Levitt sees Hamas’ history only through the prism of how it

⁸² Magnus Ranstorp, "Mapping terrorism studies after 9/11: An academic field of old problems and new prospects," in *Critical terrorism studies: A new research agenda*, ed. Richard Jackson, Marie Smyth, and Jeroen Gunning (Oxon: Routledge, 2009), 24.

⁸³ Cox, 1981, as cited in Harmonie Toros and Jeroen Gunning, "Exploring a critical theory approach to terrorism studies," in *Critical Terrorism Studies: A New Research Agenda*, ed. Richard Jackson, Marie Smyth, and Jeroen Gunning (Oxon: Routledge, 2009), 89; *ibid*.

⁸⁴ Sam Raphael, "In the service of power: Terrorism studies and US intervention in the global south," in *Critical Terrorism Studies: A New Research Agenda*, ed. R Jackson, M Smyth, and J Gunning (Oxon: Routledge, 2009), 61.

⁸⁵ Bruce Arrigo, "Identity, international terrorism and negotiating peace," *British Journal of Criminology* 50, no. 4 (2010): 778.

⁸⁶ Shaul Mishal and Avraham Sela, *The Palestinian Hamas: Vision, violence, and coexistence* (New York: Columbia University Press, 2000). 16; Gunning, *Hamas in politics*: 26.

⁸⁷ Glenn Robinson, "Hamas as social movement," in *Islamic Activism: A Social Movement Approach*, ed. Q Wiktorowicz (Indiana: Indiana University Press, 2004), 123.

taught the movement to use social services to increase funding for its terrorist activities.⁸⁸ The emphasis is on the small proportion of activities which are violent.⁸⁹ Such a narrow focus is dangerous because it perpetuates stereotypes and demonises Hamas. In the worst cases, stereotypes may form the basis of conclusions.⁹⁰ Even where stereotypes are not used, conclusions may be distorted. In studies such as Levitt's, Hamas is often classed as a 'total spoiler', actors "who pursue total power and exclusive recognition of authority and hold immutable preferences: that is, their goals are not subject to change."⁹¹ The policy outcome is attempted isolation and elimination of the organisation.

While Hamas has changed drastically since its pre-1987 days, the institutional and ideological legacy of those years influences its actions and goals. For much of its history, the Palestinian MB was non-violent and focused on the Islamisation of society through education and welfare programmes.⁹² It was thought that only when Palestinian society, as a whole, became truly Muslim would Israel be defeated as only then would they be able to gain the support of the *umma*.⁹³ When the PIJ defected from the MB in the early 1980s, not all of those convinced of the necessity of militancy left and they instigated a debate between social change and liberation.⁹⁴ Eventually, a compromise developed between the reformist leaders and the militant members (including Ahmed Yassin). Hamas was formed as the vehicle through which the MB could participate in the First Intifada.⁹⁵ Hamas' success enabled its leaders to quickly gain control of the other MB institutions in the OPT. This did not constitute a falling out between the MB and Hamas, but rather what Robinson refers to as 'reorganization with a new name and mission'.⁹⁶ The old social welfare mandate was not eliminated; it was amalgamated with a new resistance mandate focused on protest and violence against Israeli occupation.⁹⁷

⁸⁸ Levitt, In the service of jihad.

⁸⁹ Gunning, Hamas in politics: 1.

⁹⁰ Cf. Abram and Singh, "Spoilers."; Schanzer, "The Iranian gambit in Gaza."

⁹¹ Stephen Stedman, "Spoiler problems in peace processes," *International Security* 22, no. 2 (1997): 10.

⁹² As'ad Ghanem, "Palestinian politics after Arafat: The predicament of the 'Palestinian National Movement'," *Journal of Developing Studies* 24, no. 465-487 (2008): 472; Mishal and Sela, *The Palestinian Hamas*: 37.

⁹³ *Umma* refers to the wider Islamic community beyond country borders. Hroub, *Hamas: Political thought and practice*: 28

⁹⁴ *Ibid.*, 33.

⁹⁵ Mishal and Sela, *The Palestinian Hamas*: 35.

⁹⁶ Robinson, "Hamas as social movement," 123.

⁹⁷ Mishal and Sela, *The Palestinian Hamas*: 37.

Therefore, to represent Hamas' social welfare programme only as a means to further terrorism, as Levitt does, represents a failure to understand the nature of Hamas and the negative consequences for Palestinian society should Levitt's 'counter-terrorism' strategy, which includes cutting funding and shutting-down Hamas' charitable institutions, succeed.⁹⁸ Hamas' charitable institutions are not a front for terrorism; they provide real relief for Palestinians, particularly Gazans, who have nowhere else to turn for support.

Likewise, the socio-political context within which Hamas operates is often ignored leading to the formation of a 'static approach' to Hamas.⁹⁹ International events in the past two decades changed the socio-political context shaping Hamas' decision-making. These events include the Oslo Accords, the al-Aqsa Intifada, September 11, 2001, 2005 Gaza withdrawal, Hamas' 2006 election win, Operation Cast Lead (2008), and the perpetual construction of settlements.¹⁰⁰ The neglect of the socio-political context is aided by the assumption within a lot of policy analysis that religion's centrality to the legitimacy of the organisation decreases the flexibility of the organisation to act rationally.¹⁰¹ As Dov Bing and others maintain, the understanding of the organisation presented in the charter justifies a refusal to negotiate on the understanding that Hamas will use a peace agreement to prepare itself for the destruction of Israel.¹⁰²

Although it is true that the charter has not been amended, Hamas' religious parameters evolved. More recent documents than the charter and subsequent actions illustrate the changing priorities of the group. In fact, Hroub suggests that the charter was never a good document for understanding Hamas. It did not go through a consultation process, was

⁹⁸ Levitt, *In the service of jihad*.

⁹⁹ Raphael, "In the service of power," 61.

¹⁰⁰ See Table 1 for a timeline of events important to Hamas.

¹⁰¹ See Section 4.1: The Ideological Context for an explanation of the role played by religion.

¹⁰² Dov Bing, "The new Fatah/Hamas unity government," in *The Arab Spring!: Its origins, implications, and outlook*, ed. B Lynch (Wellington: New Zealand Institute of International Affairs, 2011), 89; Levitt, *In the service of jihad*; Berman, 2003, as cited in Marc Walther, *Hamas between violence and pragmatism* (Norderstedt: Books on Demand, 2009). 19; Walter Laquer, *Voices of terror: Manifestos, writings and manuals of Al Qaeda, Hamas, and other terrorists from around the world and throughout the ages* (New York: Reed Press, 2004).

written by one member of the ‘old guard’ in the MB, and was distributed hastily.¹⁰³ Hamas leaders have never quoted it and Hamas now expresses a willingness to negotiate with Israel on the creation of a state beside Israel in lieu of reclaiming the full Islamic *waqf*, an action which contradicts the charter’s demand for “the destruction of Israel.”¹⁰⁴ Before his assassination in 2003, Ismail Abu Shanab said “the practical solution for us is to have a state alongside Israel...When we build a Palestinian state, we will not need these militias; all the needs for attack will stop. Everything will change into a civil life.”¹⁰⁵ Documents, such as its 2005 electoral platform and 2006 cabinet platform, downplay religion and resistance focusing instead on pragmatic goals such as reform. Yet, this document and others are neglected in some Western policy circles and by certain academics.¹⁰⁶ The reason for this political repositioning lies in the socio-political context.

A few scholars, such as Hroub, Gunning, Tamimi and Mishal and Sela, do use Hamas’ historical and socio-political context to help explain its current political positions as well as its organisational structure.¹⁰⁷ Tamimi’s book *Hamas: A History from Within* reframes Hamas’ entire history going back to the original formation of the Palestinian MB in the 1930s.¹⁰⁸ He also uses in depth interviews with the external leadership and writers close to the movement as well as Hamas documents unseen by outsiders.¹⁰⁹ Tamimi and other such scholars better grasp the complexity of the organisation, reflecting a more nuanced understanding of its aims and actions based on Hamas’ capacity to develop new strategies

¹⁰³ Khaled Hroub, *Hamas: A beginner's guide*, 2 ed. (London: Pluto Press, 2010). 36. Consultation is a bedrock principle for Hamas – see p.83 for more detail.

¹⁰⁴ ———, "A "New Hamas" through its new documents," *Journal of Palestine Studies* 35, no. 4 (2006): 17. However, Hamas continues to refuse to recognise Israel’s right to exist, justified in terms of retaining negotiating leverage. The organisation is also adamant that this is only a temporary solution while Palestinians remain incapable of reclaiming all of their land. See below for a definition of *waqf*.

¹⁰⁵ Omar Ashour, "Hamas and the prospects of de-radicalization," in *Violent non-state actors in world politics*, ed. K Mulaj (London: C. Hurst & Co. (Publishers) Ltd., 2010), 172.

¹⁰⁶ Hroub, "A "New Hamas," 7; Bing, "The new Fatah/Hamas unity government.,"; Baudouin Long, "The Hamas agenda: How has it changed?," *Middle East Policy* 17, no. 4 (2010): 132.

¹⁰⁷ Hroub, *Hamas: Political thought and practice*; Azzam Tamimi, *Hamas: A history from within* (Massachusetts: Olive Branch Press, 2007); Mishal and Sela, *The Palestinian Hamas*; Gunning, *Hamas in politics*.

¹⁰⁸ Tamimi, *Hamas: A history from within*.

¹⁰⁹ Khaled Hroub, "Hamas: A History from Within by Azzam Tamimi; Inside Hamas: The Untold Story of the Militant Islamic Movement by Zaki Chehab; Identity and Religion in Palestine: The Struggle between Islamism and Secularism in the Occupied Territories by Loren D. Lybarger," *Journal of Palestine Studies* 37, no. 3 (2008), 93.

(Tamimi goes in the other direction and becomes apologetic).¹¹⁰ They are also more likely to consider Hamas a ‘limited spoiler’, despite rhetoric, with changing preferences and a willingness to negotiate.¹¹¹

This nuanced understanding is in a minority in part because a large proportion of terrorism studies simply fail to incorporate fieldwork, relying instead on secondary sources, encouraging static conceptions of an organisation that is not based on current realities.¹¹² As Schmid and Jongman said in 1988, “there are probably few areas in the social science literature on which so much is written on the basis of so little research.”¹¹³ Since September 11, 2001, dependence on secondary literature in terrorism studies has not markedly decreased, although Silke argues there have been improvements to the overall methods.¹¹⁴ Nevertheless, most of the literature on Hamas incorporating primary data was written after 2000.¹¹⁵ Even where primary sources are used, they can be critiqued. For instance, despite Gunning’s use of in depth interviews as the basis of his 2009 book, the interviews date back to over a decade and are not necessarily relevant to the current political context.¹¹⁶ Furthermore, Jensen suggests that in the little primary data collected on Hamas, there has not been enough focus on the opinions of grassroots members and supporters of the organisation.¹¹⁷ Unfortunately, this thesis does not make headway in rectifying this state of affairs, itself being based primarily on secondary sources. How I

¹¹⁰ Walther, *Hamas between violence and pragmatism*: 22.

¹¹¹ Cf. Are Knudsen and Basem Ezbidi, "Hamas and the quest for Palestinian statehood," (Bergen: CHR. Michelsen Institute, 2006), 7; Hroub, *Hamas: Political thought and practice*: 80; Gunning, *Hamas in politics*: 196; Minna Saarnivaara, "Suicide campaigns as a strategic choice: The case of Hamas," *Policing* 2, no.4 (2008), 424-425; Shaul Mishal, "The pragmatic dimension of the Palestinian Hamas: A network perspective," *Armed Forces and Society* 29, no. 4 (2003), 570; Ashour, "Prospects of de-radicalization," 173-174.

¹¹² Gunning, *Hamas in politics*: 4.

¹¹³ Alex Schmid and Albert Jongman, *Political terrorism: A new guide to actors, authors, concepts, databases, theories and literature* (New Brunswick: Transaction Publishing, 1988). 179.

¹¹⁴ Andrew Silke, "Contemporary terrorism studies: Issues in research " in *Critical Terrorism Studies*, ed. Richard Jackson, Marie Smyth, and Jeroen Gunning (Oxon: Routledge, 2009), 48.

¹¹⁵ Gunning, *Hamas in politics*; Bader Araj and Robert Brym, "Opportunity, culture, and agency: Influences on Fatah and Hamas strategic action during the Second Intifada," *International Sociology* 25, no. 6 (2010); Hroub, *Hamas: Political thought and practice*; ———, "A "New Hamas"."; Tamimi, *Hamas: A history from within*; Mishal and Sela, *The Palestinian Hamas*; Jensen, *The political ideology of Hamas*; Robinson, "Hamas as social movement."

¹¹⁶ Eyal Pascovich, "Hamas in Politics: Democracy, Religion, Violence," *Middle Eastern Studies* 45, no. 3 (2009): 531.

¹¹⁷ Jensen, *The political ideology of Hamas*: 6.

attempt to deal with this lack and avoid the pitfalls associated with it is covered in the following chapter.

Gradually, the problems traditionally found in the study of Hamas, namely an absence of theory, neglect of historical and socio-political contexts, limited use of primary sources and an abundance of bias, are being resolved. Such issues are significant because they often lead to the classification of Hamas as a total spoiler and bad policy outcomes. Scholars that do not neglect the historical and socio-political contexts, and utilise theoretical frameworks and primary data often come to more nuanced conclusions. An understanding of the historical and socio-political context is also important for this thesis as it impacts on Hamas' perception of the costs and benefits of contracting with Iran and, consequently, the strength of the relationship.

3.4 Conclusion

A PA framework is warranted given its strong foundation in rational choice theory. It is particularly important because while there is a large amount of literature on Iran's foreign policy and Hamas' goals and actions, issues of bias are prevalent and tied into a lack of theoretical grounding. The critically aware literature on Iran more readily recognises the pragmatic nature of the regime and the dominance of national interest over ideology. For Hamas, recognition of historical and socio-political contexts leads to the conclusion that Hamas is a limited spoiler and given the right incentives would enter the peace process. Furthermore, while everyone mentions the Hamas-Iran relationship, a comprehensive examination of the relationship is lacking.¹¹⁸ This contributes to a failure to understand why the relationship exists and, in the long run, to bad policies. Thus, an in depth analysis of the Iran-Hamas relationship is warranted. Although PA analysis has only recently begun to analyse non-state actor's relationships with states, it has a long history of understanding the cost-benefit rationale for both principals and agents in the USA political arena and economics. The following methods chapter seeks to explain the remaining processes used in this thesis before subsequent chapters answer the research questions.

¹¹⁸ Hroub, Hamas: Political thought and practice: 176-80.

4 Methods

The preceding literature review highlighted some of the methodological issues raised by studies of the Middle East and, in particular, the Israel/Palestine conflict. With this in mind, it is useful to examine and justify, even if only briefly, the methods used in this thesis. As demonstrated in chapter 3.2 and 3.3, Iran and Hamas' rhetoric is often used to mislead their enemies. Therefore, this thesis will focus not on rhetoric alone, but on how they react (or are perceived to react) to events to infer what changes have occurred in their cost/benefit calculi. The decisions to use qualitative as opposed to quantitative or mixed methods and secondary, as opposed to primary sources, are scrutinised. Although "triangulation seeks convergence, corroboration, or correspondence of results from different methods, thereby enhancing validity and credibility of inferences," there are limitations to studying VNSs which makes the use of a mixed methods approach difficult.¹ These limitations include the sparseness of primary sources which has made the predominance of secondary sources a necessity. The problems of author bias associated with qualitative analysis (although by no means absent from quantitative analysis) are overcome through the use of a rigorous theoretical framework, PA analysis. Sometimes though, the problem is not with the researcher's bias, but with bias or misrepresentation in the data that the researcher is using. This problem can be reduced through the triangulation of different methods of data collection ranging from interviews and official documents, through to an analysis of the actual actions taken in an episode to see how they compare.

Despite the fact that much PA analysis is quantitative, the analysis I will do of the Iran-Hamas relationship will be qualitative. Qualitative approaches analyse data collected from field notes, interviews, documents and images.² Such approaches are used to understand

¹ Jennifer Greene, Holly Kreider, and Ellen Mayer, "Combining qualitative and quantitative methods in social inquiry," in *Theory and Methods in Social Research* ed. Bridget Somekh and Cathy Lewin (London: SAGE Publications Ltd, 2011), 260.

² Bridget Somekh and Cathy Lewin, eds., *Theory and methods in social research*, Second ed. (Los Angeles: SAGE Publications Ltd, 2011), 327.

the how and why of an event, process, or relationship.³ The emphasis is not on testing hypotheses, but on exploring the situation through open questions to develop a holistic understanding of a complex phenomenon situated in a unique context.⁴ In contrast, quantitative research “rests on the observation and measurement of repeated incidences of a political phenomenon, such as voting for a political party...”⁵ Statistical methods are used to analyse numerical data.⁶ They tend to be comparative in the sense that multiple cases, such as VNS-state relations, occurring around the world are analysed to determine the average ‘cause’.⁷ Large data pools allow scholars to claim that observations made are not random coincidences.⁸

The use of quantitative and qualitative methods is often related to the ontological position of the researcher. Ontology is about whether there is a ‘real world’ or a socially constructed world. Epistemology is about what we can know of the world – is it possible to determine what that ‘real world’ is? Often the ontological and epistemological position of the scholar dictates the choice between quantitative and qualitative methods. So, for instance, studies based in behavioural science or rational choice theories are more likely to be quantitative because, in general, ontologically, there is an objective reality independent of human interpretation and, epistemologically, reality can be directly observed and explained (positivist).⁹ PA analysis, having a strong affinity to rational choice institutionalism, tends to be quantitative because rational choice theory is often based on the statistical modelling of different scenarios to verify a hypothesis. .

Quantitative research is most often connected to a positivist or realist epistemological position. The realist position suggests, like the positivist, that there is an objective reality.

³ Ariadne Vromen, "Debating methods: Rediscovering qualitative approaches," in *Theory and Methods in Political Science*, ed. David Marsh and Gerry Stoker (New York: Palgrave Macmillan, 2010), 249.

⁴ *Ibid.*, 257.

⁵ Peter John, "Quantitative methods," in *Theory and Methods in Political Science*, ed. David Marsh and Gerry Stoker (Hampshire: Palgrave Macmillan, 2002), 218.

⁶ Somekh and Lewin, *Theory and methods in social research*, 327.

⁷ Vromen, "Debating methods: Rediscovering qualitative approaches," 255.

⁸ Peter John, "Quantitative methods," in *Theory and Methods in Political Science*, ed. David Marsh and Gerry Stoker (New York: Palgrave Macmillan, 2010), 269.

⁹ Paul Furlong and David Marsh, "A skin not a sweater: Ontology and epistemology in political science," in *Theory and Methods in Political Science*, ed. David Marsh and Gerry Stoker (New York: Palgrave Macmillan, 2010), 193.

However, it also recognises that socially constructed understandings of that reality influence events. The connection between quantitative data analysis and positivist and realist epistemological positions occurs because data minimises the corrupting influence of bias on conclusions that prevent reality from being accurately explained.¹⁰ Furthermore, the ability to replicate quantitative results ensures theories are falsifiable in a way that qualitative methods makes impossible. A qualitative approach is more useful in understanding what a person's interpretation of an event is; objective reality is not relevant to the research question.¹¹

However, it is important not to take the relationship between quantitative methods and positivist approaches, and qualitative methods and interpretist approaches (there is no objective reality; the world is socially constructed) too far. Positivists can and do use qualitative methods when they are appropriate for the research question and vice versa. Realists use both methods regularly to determine what the objective reality is and how perceptions shape reactions to that reality.¹² Furthermore, mixing methods has a number of benefits, adding a further dimension to analysis, because they enable the triangulation of research.

The problem with quantitative data for this thesis lies not in ontology and epistemology, but in practicalities. Numerical data is needed to do quantitative analysis. Finding numerical data on licit relationships is easy. There is a wealth of information available, starting with formal treaty documents signed by states creating the IOs. The relationship between the state and the IO is also conducted in the public sphere and often IOs are obliged to be transparent. The mostly open and transparent relationship between the PLO, deemed the sole legitimate voice of the Palestinian people, and Israel is a good example. Their relationship is readily traceable through Oslo Accord documents, public meetings and so on. There is, therefore, a wealth of information available that can be used in quantitative analysis. However, VNSs conduct their affairs in secret, away from the public eye in order

¹⁰ Ibid., 186.

¹¹ Fiona Devine, "Qualitative research," in *Theory and Methods in Political Science* ed. D Marsh and G Stoker (Hampshire: Palgrave Macmillan, 2002), 201.

¹² Furlong and Marsh, "A skin not a sweater," 205

to prevent knowledge about their structure and preferences being used against them. There is therefore a limited supply of statistical data available on the relationship. The little available is often based on intelligence estimates from opposition sources, such as the Israeli Defence Force, and are unverifiable. Thus, although a quantitative analysis would add another dimension to the thesis, because of practical limitations, it is solely qualitative.

However, qualitative research does not solve the methods problem for studying Iran and Hamas. Much qualitative analysis also relies on primary data such as the Declaration of Principles. Primary sources are original content deriving from interviews or documents created by government and other political actors. They “reflect a position of an actor and do not have analysis in them”¹³ with the exception of media articles. Except for media articles, these sources are extremely limited in the case of Iran and Hamas due to the clandestine nature of the relationship. On occasion, pronouncements by one or other party have been made which can be used within the analysis. However, rhetorical statements are not necessarily an accurate reflection of reality as demonstrated by the discussion of the Hamas charter on p.53-54 and Iranian foreign policy in chapter 3.2.¹⁴ Interviews with significant individuals within the institutions would have been useful, but due to time, funding and language constraints, this was not feasible for this Masters project. There are primary documents, such as the Constitution of the IRI, not directly related to the relationship, that are, nevertheless, useful for understanding the reasons it exists. However, most of the analysis, particularly of recent events is based on media reports of Iran and Hamas actions.

Such analysis places the actions of the two actors within the socio-political context of the time, explaining it through the prism of costs and benefits. Media articles are useful because they provide a ready source of information about each actor’s activities. However, there are problems. Claims are frequently made in the media that are unsubstantiated and loaded with bias due to the lack of peer-review and a focus on entertainment as opposed to information. Sometimes, an analysis in an English language newspaper is different to the

¹³ Vromen, "Rediscovering qualitative approaches," 262.

¹⁴ Parsi, *Treacherous Alliance*: xi.

analysis of an Arabic language newspaper. Unable to read Arabic (although I am in the process of learning it, having taken a brief trip to Lebanon), I have had to rely on limited translations from organisations such as the Mideast Wire. An attempt is, therefore, made to corroborate what is said in newspapers with statements from the parties themselves, also often found in the media. For older events, information is cross referenced via secondary academic sources which are peer-reviewed and, sometimes, based on in depth interviews. For more recent events, however, such secondary sources do not exist and the greater degree of triangulation is, therefore, not possible. Furthermore, a number of criteria need to be met before events make it in to the media. This means that some pertinent events and actions taken by Hamas and Iran, even if not exactly hidden, do not get publicly addressed.

In conclusion, despite the benefits of a mixed methods approach and the quantitative nature of much PA literature, a qualitative analysis of the Iran-Hamas relationship is used. This choice is based not on ontology or epistemology but rather on the practical consideration that numerical data on VNS-state relations is limited and, often, unreliable. However, there are problems for qualitative data collection too. For some events, particularly recent ones, distinguishing between fact and fiction is difficult relying solely on the media. Thus, official statements by the parties are used to corroborate information. Unfortunately, the necessity of relying on the media for information about recent events and, particularly, the need to rely on the limited number of translated Arabic newspapers means that some events of little world significance but of importance to the costs and benefits of the relationship may have been missed. Nevertheless, a qualitative analysis is useful because it provides insight into the actors' perceptions of reality. The basis of this thesis is not on the rhetoric of Iran and Hamas because it is often used to mislead their enemies as demonstrated in chapter three. Instead, the thesis focuses on how they react (or are perceived to react) to events in order to infer what changes have occurred in their cost/benefit calculus.

5 Political Context of the Islamic Republic of Iran

Now that the conceptual framework, methods and state of the literature are understood, it is time to highlight the aspects of the IRI's political system which impact on its foreign policy and, thus, on its relationship with Hamas. If different state institutions have different agendas and work individually towards their goals, one state could, in fact, be represented by multiple principals. Indeed, the multi-polar nature of the IRI's political system routinely suggests that this is the case.¹ However, despite factionalism within the political elite and institutional proliferation, the emphasis on consensus and the power of the Faqīh ultimately makes the IRI a unitary principal, at least regarding regional policy (although, not necessarily, an optimally functioning one).² This chapter outlines the rules and institutions which influence Iranian foreign policy. The following chapter will do the same for Hamas. Subsequent chapters will analyse the costs and benefits of the relationship to the two actors.

5.1 Political structure

There are a number of influences over the direction and implementation of foreign policy in Iran; most important of these are the constitution, a variety of state institutions including the office of the Faqīh, president, *Majlis* (parliament), Expediency Council, Council of Guardians, Ministry of Foreign Affairs, IRGC and *Artesh* (army), their relationship with each other, and the *Bonyad* organisations ("economic parastatal foundations").³ These relationships (bar the *Bonyads*) are diagrammatically represented in figure 4 within the dual theocratic and democratic ideological framework of the IRI. This diagram is elaborated on below. The constitution impacts Iran's foreign policy in two ways.

¹ David Thaler et al., *Mullahs, guards and bonyads: An exploration of Iranian leadership dynamics* (Santa Monica: RAND Corporation, 2010), xviii-ix; Fred Halliday, "Iran and the Middle East: Foreign policy and domestic change," *Middle East Report*, no. 220 (2001), 43.

² Abedin, "Challenges to Consensus," 618.

³ Thaler et al., *Mullahs, guards and bonyads*: xiv-xv.

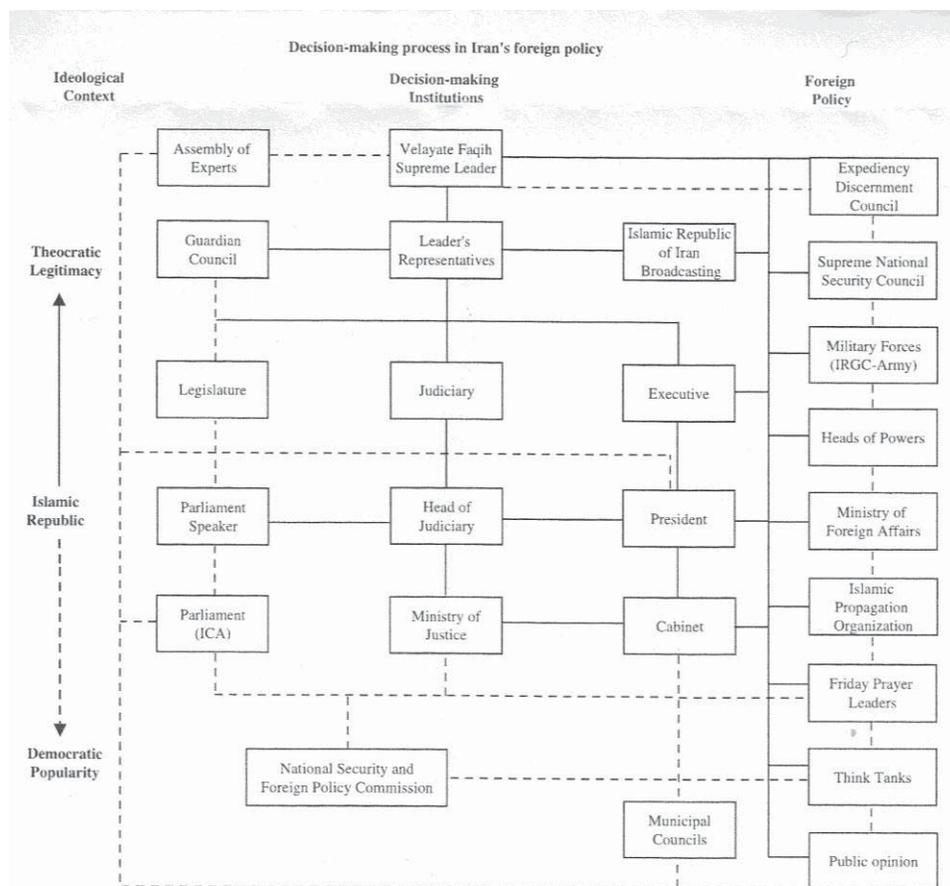


Figure 4: Decision -making process in Iran's foreign policy in *The Domestic Determinants of Iranian Foreign Policy: Challenges to Consensus* (Abedin 2011, 622)

Firstly, although not specifically mentioned, according to Abbas Maleki, former Deputy Foreign Minister, four foreign policy priorities can be gleaned from the constitution: “to have good relations first, with Iran’s neighbors; second, with Islamic countries; third, with the non-aligned developing countries; and fourth, with those countries which can fulfill the economic and social needs of the Islamic Republic.”⁴ These are based on articles such as 152 which suggest that:

The foreign policy of the Islamic Republic of Iran is based upon the rejection of all forms of domination, both the exertion of it and submission to it, the preservation of the independence of the country in all respects and its territorial integrity, the

⁴ Reza Amiri, Ku Samsu, and Hassan Fereidouni, "Iran's economic considerations after the war and its role in renewing of Iran-Saudi diplomatic relations," *Cross-cultural Communication* 6, no. 3 (2010): 50; Parsi, *Treachorous Alliance*: 235.

*defence of the rights of all Muslims, nonalignment with respect to the hegemonist superpowers, and the maintenance of mutually peaceful relations with all non-belligerent States.*⁵

Secondly, the constitution outlines the formal structure of the state including the role of each institution. Iran's state structure combines both theocratic and democratic principles in a complex feedback system. Democratic institutions are subordinate to the theocratic institutions through the offices of the Faqīh, the Council of Guardians (COG) and the Expediency Council as illustrated in figure 4.⁶ The most important state institutions for decision-making in foreign policy are the Faqīh, the president and his Council of Ministers, the *Majlis*, the Supreme National Security Council (SNSC), the COG, the Expediency Council, and the Foreign Ministry.⁷ The most important to implementation are the Ministry of Intelligence and Security (MOIS), the IRGC, and the *Artesh*. The Foreign Ministry is also used to implement policy. Their roles are outlined below.

However, an informal network of personal relationships and implicit rules undermines the formal decision-making and implementation power of each institution. Foreign policy is, therefore, determined, in part, by domestic factional debates and not by the constitutional framework.⁸ This means that implementation across institutions is often haphazard and dependent upon which political faction dominates the institution.⁹ Nevertheless, the strength of this informal network is itself tempered by a cultural requirement for consensus that very few bypass (at least before the 2009 elections). In consequence, movement on foreign policy is difficult to achieve as even with majority support, a single well-placed individual can stymie it.¹⁰ The emphasis placed on consensus and the overarching power of the Faqīh suggests that, despite antagonism between political factions, mixed-signals and in

⁵ *The Islamic Republic of Iran's Constitution*, (3 December 1979).

http://www.servat.unibe.ch/icl/ir00000_.html. art. 152, amend 1989

⁶ Wilfried Buchta, *Who rules Iran? The structure of power in the Islamic Republic* (Washington, DC: The Washington Institute for Near East Policy 2000). 23.

⁷ Roshandel, "Iran's foreign and security policies," 106.

⁸ Thaler et al., *Mullahs, guards and bonyads*: xiii.

⁹ Byman et al., *Iran's security policy*: xii-xiii.

¹⁰ *Ibid.*, 22.

contrast to the USA state, the Iranian state can be treated as a unitary principal for the purposes of a PA analysis.¹¹

The IRI has had two Faqīhs, Khomeini and Khamenei. The Faqīh is the most powerful decision-maker, although it is by no means a monopoly.¹² His dominance is due, in part, to the importance of the concept of *vilāyat-i faqīh* to the structure of government. Constitutionally, the Faqīh is responsible for shaping internal and external policy; declaring peace and war; resolving differences between the different branches of government; supervising implementation; commanding the IRGC and *Artesh*; appointing and dismissing members of the COG, chief of staff of the armed forces and Commander-in-Chiefs of the military and security forces; and can impeach the president.¹³ These responsibilities enable the Faqīh to intervene directly in foreign policy and are supplemented by the weight accorded his public speeches and announcements.¹⁴

Direct control over foreign policy is augmented by sizeable indirect influence. Firstly, when an institution better reflects the Faqīh's own preferences in comparison to other institutions he can enhance its power by delegating further roles to it. One example of this is Khamenei's 2005 delegation of authority to the Expediency Council, enhancing control over then new president Ahmadinejad.¹⁵ The Faqīh also has a substantial network of representatives called 'clerical commissars'. These commissars are more powerful than ministers, despite the silence of the constitution on their existence, and are scattered throughout the defence institutions including the MOIS, Ministry of Foreign Affairs, IRGC and *Artesh*.¹⁶ Directors of cultural bureaus posted overseas are also appointed by the Faqīh and bypass the authority of the Minister of Foreign Affairs, despite their official status within embassies.¹⁷ Acting on the Faqīh's behalf, the commissars and bureau directors give

¹¹ Lyne, Nielson and Tierney (2006, p.42) demonstrate that due to the separation of powers between Congress and the Executive, in a PA analysis the USA state should not be considered a unitary principal.

¹² Roshandel, "Iran's foreign and security policies," 108.

¹³ Anoushiravan Ehteshami, *After Khomeini: The Iranian Second Republic* (Routledge, 1995). 49.

¹⁴ Abedin, "Challenges to Consensus," 620.

¹⁵ See p.69 for more detail

¹⁶ Buchta, *Who rules Iran?:* 47.

¹⁷ Ibid.

him significant influence over the direction of foreign policy.¹⁸ The Islamic Propagation Organisation, Organisation of Islamic Culture and Communications and the Centre for Promoting Proximity between the Islamic Religions are also run by allies of the Faqīh and are used by him to improve relations with other Islamic countries while also increasing Iran's prestige.¹⁹ Finally, the Faqīh controls the direction of public debate on foreign policy through appointing Friday prayer leaders.²⁰ Khomeini used his influence to act as an arbiter between political factions; however, Khamenei, particularly since the 2009 elections, has become a player within factional politics.²¹

Though elected, the president is the second most powerful person in Iran. Presidential power is exercised through appointing the heads of ministries; through them influencing the implementation of policy; chairing the SNSC and other councils; and a national network of officials which allows him to influence the direction of policy. The degree of control he wields over the Ministries of Foreign Affairs, Intelligence, and the Interior determines his influence over foreign policy.²² This official power is supplemented by informal networks of relationships to senior figures within powerful political institutions. For instance, Ahmadinejad has strong connections to leading figures in the IRGC.

However, presidential power is limited due to his subordination to the Faqīh who controls the armed forces, the two term limit on re-election (compared to the Faqīh who is appointed for life), and the requirement for parliamentary confirmation of his ministerial appointments.²³ Thus, the president's influence over foreign policy is limited to his position on the SNSC and ability to control the ministries such as the MOIS.²⁴ Unfortunately, control over the ministries is not straightforward, even leaving aside the existence of the Faqīh's commissars, because the *Majlis* must approve the president's

¹⁸ Byman et al., *Iran's security policy*: xii.

¹⁹ Buchta, *Who rules Iran?*: 51; Abedin, "Challenges to Consensus," 620.

²⁰ ———, "Challenges to Consensus," 620.

²¹ Thaler et al., *Mullahs, guards and bonyads*: xiv.

²² Ehteshami, *After Khomeini*: 51. The president also chaired the expediency council until 1997. In 1997 when Khatami became president, Rafsanjani retained the post of chairman of the expediency council having just stepped-down as president, due to the constitutional time limits on the post.

²³ Buchta, *Who rules Iran?*: 24.

²⁴ Lionel Beehner, "Iran's multifaceted foreign policy," Council on Foreign Relations, <http://www.cfr.org/iran/irans-multifaceted-foreign-policy/p10396>.

ministerial appointments.²⁵ For instance, the Minister of Intelligence and Security is selected from within the Faqīh's inner circle and follows his orders despite appointment by and constitutional subordination to the president.²⁶

Nevertheless, if his limited means are wielded effectively, the president can influence foreign policy. In 1999, despite Khamenei's opposition, President Khatami removed the Minister of Intelligence and Security, Ghorbanali Dorri-Najafabadi, by undermining his authority with ministry officials using contacts within the ministry.²⁷ Presidential framing of issues can also induce support from the Faqīh when the framing gains widespread support with audiences. Thaler et al. use the example of Ahmadinejad's framing of the nuclear programme as a national right.²⁸ This is particularly so internationally because the audience takes for granted that his rhetoric is representative of state policy. Officials within the regime are highly critical of Ahmadinejad's belligerent rhetoric towards the USA and Israel and in response Khamenei even set up a foreign policy advisory council with a membership crossing the ideological spectrum, in order to guide and constrain Ahmadinejad's actions in the international realm.²⁹ Ahmadinejad's influence narrowed further after the 2009 election as Khamenei and a small group of advisors accrued even more decision-making power.³⁰

The *Majlis* is the legislative branch. Its members are popularly elected. While the *Majlis's* role in foreign policy is overshadowed by other institutions, it does participate in four major ways. Firstly, the *Majlis* is the institution charged with ratifying and monitoring Iran's international treaties and agreements. Secondly, the *Majlis* passes legislation pertaining to foreign policy issues. The *Majlis* also established a Foreign Policy Commission to oversee decision-making. Finally, individual parliamentarians intervene on foreign policy issues when given an advisory position.³¹

²⁵ Thaler et al., *Mullahs, guards and bonyads*: 27.

²⁶ Shay, *The axis of evil*: 31.

²⁷ Buchta, *Who rules Iran?*: 163.

²⁸ Thaler et al., *Mullahs, guards and bonyads*: 26-27.

²⁹ Michael Dodson and Manochehr Dorraj, "Populism and foreign policy in Venezuela and Iran," *The Whitehead Journal of Diplomacy and International Relations* (2008): 83.

³⁰ Thaler et al., *Mullahs, guards and bonyads*: iv.

³¹ Abedin, "Challenges to Consensus," 621.

However, the majority of MPs focus on local and national policies to the exclusion of foreign policy.³² The significance of the *Majlis*'s role in foreign policy is also constrained by the COG's constitutional right to veto any legislation passed and vet candidates for election.³³ The COG is dominated by the Faqīh's representatives. Six clerics are his own personal choice and six jurists are chosen by the Head of Judiciary (who is appointed by the Faqīh), although the *Majlis* must approve the six jurists.

Expediency Council membership fluctuates regularly but currently consists of twenty-eight members appointed by the Faqīh for five-year terms. Permanent members include: the heads of the three branches of government; members of the COG; as well as other senior figures in the political establishment and from across the ideological spectrum. The current chairman is former president Rafsanjani. There are also temporary members with expertise or influence on individual issues, such as the Minister in charge of a contested policy change. Under the constitution, the Expediency Council has two main functions: to mediate between the COG and the *Majlis* over disputed legislation; and to advise the Faqīh on policy direction. Since 2005, it also has a supervisory role over the three branches of government.³⁴ Through these roles, the Expediency Council wields a degree of power over the direction of foreign policy and regularly produces assessments on threats to the state.³⁵ The Expediency Council's power is also enhanced by the political stature of Rafsanjani who has an extensive network of personal relationships with key personnel in the regime that allows him to expand the influence of the council. The expansion of its powers in 2005 and Rafsanjani's appointment were likely made specifically to increase the power of the Expediency Council vis-à-vis the inexperienced and radical President Ahmadinejad.³⁶

The SNSC is the constitutional body responsible for:

³² Thaler et al., Mullahs, guards and bonyads: 28.

³³ Ibid., 29.

³⁴ Bill Samii, "Iran: Systemic changes could weaken elected officials, balance government," *Radio Free Europe/Radio Liberty*, October 4 2005, <http://www.rferl.org/content/article/1061869.html>.

³⁵ Abedin, "Challenges to Consensus," 621.

³⁶ Andrzej Kapiszewski, "Iran's 2005 presidential elections and their impact on the Republic's policies," ed. Walter Posch, 89 ed., *Iranian Challenges* (European Union Institute for Security Studies: Paris, 2006), <http://www.iss.europa.eu/publications/detail/article/iranian-challenges/>. 25.

1. *determining the defence and national security policies within the framework of general policies determined by the Leader;*
2. *coordination of activities in the areas relating to politics, intelligence, social, cultural and economic fields in regard to general defence and security policies; and*
3. *exploitation of materialistic and intellectual resources of the country for facing the internal and external threats.*³⁷

It is chaired by the president and there are twelve other permanent members including: the Faqīh; heads of the executive, legislature, and judiciary; chief of staff of the armed forces; head of the Planning and Budget Organisation; two representatives of the Faqīh, ministers of intelligence, foreign affairs, and the interior; and IRGC and *Artesh* commanders in chief.³⁸ The lack of formal decision-making power belies its true weight as the Faqīh often endorses the recommendations of the SNSC.³⁹ According to Sadjadpour, it is one of the main forums through which consensus is developed, given the diverse range of participants.⁴⁰

The Ministry of Foreign Affairs' influence over foreign policy formulation is not as great as it could be if the political system were constructed in a more conventional and less complex manner.⁴¹ Nevertheless, it is a given that the ministry influences relations with foreign countries and provides significant logistical support to Iranian agents through its network of embassies and consulates.⁴² It also takes part in policy discussions having a chair on the SNSC and other policy circles.⁴³ In terms of illicit activity, it provides 'diplomatic camouflage' and transfers weaponry via a diplomatic pouch.⁴⁴ However, its actions are sometimes countered by other agencies' actions; a consequence of what Abedin calls the "parallelism" of implementation.⁴⁵ One of the most prominent examples is Iraq. The

³⁷ The Islamic Republic of Iran's Constitution, art. 176, amend. 1989

³⁸ Buchta, *Who rules Iran?*: 24.

³⁹ Byman et al., *Iran's security policy*: 24; Shay, *The axis of evil*: 34.

⁴⁰ Beehner, "Iran's multifaceted foreign policy".

⁴¹ Abedin, "Challenges to Consensus," 621.

⁴² Michael Eisenstadt, "The armed forces of the Islamic Republic of Iran: An assessment," *Middle East Review of International Affairs* 5, no. 1 (2001): 24.

⁴³ Thaler et al., *Mullahs, guards and bonyads*: 46.

⁴⁴ Eisenstadt, "The armed forces," 24.

⁴⁵ Abedin, "Challenges to Consensus," 622.

ministry follows declared Iranian policy of strengthening the government while the IRGC interacts with Moqtada al-Sadr's militia (the Mahdi Army) attempting to restrain American influence in the region.⁴⁶ Some suggest these opposing policies are more to do with a lack of coordination than lack of elite consensus.⁴⁷

The IRGC and *Artesh* are officially subordinate to the Faqīh.⁴⁸ The IRGC is independent of the *Artesh's* military structure with a parallel military command, arsenal and training facilities.⁴⁹ Under article 150 of the constitution, the main role of the IRGC is "guarding the Revolution and its achievements". Ideology justifies its actions against perceived threats internally and externally. Actions abroad include providing military training, resources and ideological indoctrination to members of a range of VNSs. The list of VNSs includes the Supreme Council of the Islamic Revolution in Iraq (SCIRI) and, of course, Hezbollah and Hamas.⁵⁰

The IRGC also has a significant degree of influence over the formulation of foreign policy due to its presence in embassies with strategic significance, representation on the SNSC, ties to the offices of the Faqīh, and its research centres which help direct debate.⁵¹ There appears to be factional diversity within the IRGC that represents society.⁵² Although it is uncertain to what degree the political leadership is informed of IRGC actions, it has so far respected political leaders. Major operations will have been authorised at the least by the Faqīh.⁵³ Recently, with its own intelligence departments reporting directly to the Faqīh, the IRGC began to compete with the MOIS over the analysis of intelligence.⁵⁴ Their subordination makes them a valuable asset to the Faqīh, more so than the MOIS which is controlled by the president. However, the IRGC's relationship with the Faqīh is

⁴⁶ Ibid; Beehner, "Iran's multifaceted foreign policy".

⁴⁷ Wehrey et al., *Dangerous but not omnipotent*. 30; Beehner, "Iran's multifaceted foreign policy".

⁴⁸ Byman et al., *Iran's security policy*: xv.

⁴⁹ Buchta, *Who rules Iran?*: 68; Mahan Abedin, "Iran's Revolutionary Guards: Ideological but not praetorian," *Strategic Analysis* 35, no. 3 (2011): 382.

⁵⁰ Byman et al., *Iran's security policy*: 58, 82.

⁵¹ Abedin, "Challenges to Consensus," 621.

⁵² Thaler et al., *Mullahs, guards and bonyads*: 62.

⁵³ Byman et al., *Iran's security policy*: xv; Buchta, *Who rules Iran?*: 71.

⁵⁴ Marc Champion, "Revolutionary Guard Tightens Security Grip," *Wall Street Journal - Eastern Edition* 254, no. 114 (2009).

“increasingly symbiotic, politically expedient for the Leader and economically expedient for the Guards.”⁵⁵ Three factors have contributed to this: the uncertainty that arose in the 2009 presidential election; the consequent crack-down over which the IRGC presided, and its increasing economic weight. Some conjecture that this will eventually end with the IRGC challenging the clerical foundation of the regime. However, whatever is in store, to date, the IRGC leadership has demonstrated loyalty to Khamenei and conviction in the concept of *vilāyat-i faqīh* and, for the foreseeable future, it is unlikely this will change markedly.⁵⁶

The *Artesh* is the regular armed forces of Iran. Despite having a force of 350,000, three times the size of the IRGC, it holds a marginal position in policy circles and as a consequence is under-armed.⁵⁷ After the 1979 revolution, the *Artesh* was not trusted by the political elite due to its dominance under the Shah. Thus, the *Artesh*'s role is mainly one of defence implementation, particularly with regard to conventional military threats, such as another Iraqi invasion.⁵⁸ However, it does have a place on the SNSC and Cabinet, and informal access to the Faqīh (although, unlike the IRGC, it did not consider this access a major source of influence).⁵⁹ Its voice is particularly heard on issues of geopolitics, economics and ethnicity.⁶⁰ Today, the *Artesh* is more politically active as fears diminished over time as members of the *Artesh* went through an Islamisation process.⁶¹ Khamenei reached out after the 2009 elections in order to counter-balance Ahmadinejad's influence and the *Artesh*'s sympathy for the Green Movement.⁶²

⁵⁵ K Sadjapour, 2008, as cited in Thaler et al., *Mullahs, guards and bonyads*: 61.

⁵⁶ Abedin, "Ideological but not praetorian," 384.

⁵⁷ Hossein Aryan, "The Artesh: Iran's marginalized and under-armed conventional military," Middle East Institute, <http://www.mei.edu/content/artesh-iran%E2%80%99s-marginalized-and-under-armed-conventional-military>.

⁵⁸ Byman et al., *Iran's security policy*: 41.

⁵⁹ *Ibid.*, 28.

⁶⁰ *Ibid.*, 41.

⁶¹ Aryan, "The Artesh".

⁶² Alex Vatanka, "Ayatollah Khamenei's advances towards the Artesh," Middle East Institute, <http://www.mei.edu/content/ayatollah-khameneis-advances-toward-artesh>; Fatemeh Aman, "Living with the Artesh's green sympathies," Middle East Institute, <http://www.mei.edu/content/living-arteshs-green-sympathies>. In 2009, post-election protests broke out after Ahmadinejad won the presidency with such a large percentage that fraud was suspected. The protestors became known as the Green Movement and there is evidence that a large number of the army's rank-and-file sympathised with the movement.

There are fifteen known MOIS departments. The most important to this thesis are Hamas and Lebanese Hezbollah, Arab states, national security, as well as planning and operations departments.⁶³ Constitutionally, the MOIS's primary purposes is the collection and analysis of information relating to threats to the Islamic Republic.⁶⁴ The MOIS has interpreted this mandate broadly. It is not just involved in uncovering threats to national security; it also takes an active interest in promoting Iran's national interests overseas and works closely with the IRGC and other intelligence agencies to this end.⁶⁵ This has included coordinating and implementing terrorist operations.⁶⁶

The *Bonyad* organisations exercise a great deal of control over foreign policy given their position outside Iran's formal political structure. They are charitable foundations set up after the revolution to reflect the regime's emphasis on the '*Mostazafan*' (oppressed).⁶⁷ Their directors are appointed by the Faqih.⁶⁸ They exercise control through their economic clout, managing billions of dollars, and network connections with the leadership of the IRGC and other security institutions.⁶⁹ The former head of the *Bonyad-e Mostazafan* (foundation for the disabled and oppressed) was Khamenei's driver and Rafsanjani's relative by marriage before becoming a significant figure in the IRGC and moving to the *Bonyads*.⁷⁰ The *Bonyad-e Mostazafan*, along with other *Bonyads* also supports the Faqih financially, improving his control over foreign policy at the expense of other institutions. Although hard evidence is lacking, there is reason to believe the *Bonyads* help finance VNSs, such as Hezbollah. Hezbollah claimed in 1993 that the *Jihad al-Binna* provided \$8.7 million for houses struck by Israeli missiles.⁷¹

⁶³ Buchta, *Who rules Iran?*: 165.

⁶⁴ Byman et al., *Iran's security policy*: 32.

⁶⁵ *Ibid.*, 59.

⁶⁶ Eisenstadt, "The armed forces," 24.

⁶⁷ The most important include the *Bonyad-e Mostazafan va Janbazan* (Foundation for the disabled and oppressed), the *Bonyad-e Shahid* (Martyrs' Foundation), and the *Bonyad panzdah-e Khordad* (15th Khordad Foundation). Byman et al., *Iran's security policy in the post-revolutionary era*: 19.

⁶⁸ Thaler et al., *Mullahs, guards and bonyads*:25.

⁶⁹ Byman et al., *Iran's security policy*: 40.

⁷⁰ Thaler et al., *Mullahs, guards and bonyads*: 57.

⁷¹ Byman et al., *Iran's security policy*: 40.

In conclusion, the IRI's most influential figure in foreign policy formulation is the Faqīh. An effort is made to ensure decisions are made by consensus, suggesting the IRI should be considered a single principal. The Faqīh generally upholds the conclusions made by the SNSC which has representatives from all the relevant institutions, including the President, executive, legislature, Ministers of intelligence, foreign affairs and interior, the IRGC and *Artesh*. The *Bonyad* institutions, while being outside of government, also have some influence due to their connections to the political elite, including Khamenei, and their economic clout. Having a good description of foreign policy formulation in the IRI, it is now timely to consider Hamas' organisational structure and policy influences.

6 Ideological, Domestic and Institutional Context of HAMAS

This chapter falls into two parts. Firstly, influences over the formulation of Hamas' policies including aims, ideology and the domestic environment are examined. Secondly, reflecting the previous chapter, the structure of the organisation is unpacked in order to appreciate the decision-making process within Hamas. The following chapters discuss the costs and benefits of a PA relationship from the perspective of Iran and Hamas respectively in the process answering the research questions posed in the introduction.

6.1 Policy influences: Aims, ideology and the domestic environment

Hamas seemingly has two mutually exclusive ideological aims: reclamation of historic Palestine in its entirety and a Palestinian state alongside Israel. The first makes an appearance in the 1988 charter. The second is based on subsequent documents such as the Cabinet Platform of 2006 and other statements by the leadership of Hamas including Abu Shanab's quote on p53.¹ The contradiction is a consequence of the influence of both ideology and the domestic environment. The concept of *Sabr* (patience) allows Hamas to overcome the apparent irreconcilability of the two aims.² The pragmatic solution is but an interim measure; a phase in the journey towards reclaiming the whole of Palestine.³ This section, in part, explains how this dualism is possible. The aim of achieving a Palestinian state, whether beside Israel or on all of historic Palestine, influences all of Hamas' actions, including its relationship with Iran. When a relationship detracts from this goal, it is relinquished.

¹ Hroub, "A "New Hamas"," 22.

² Robinson, "Hamas as social movement," 133.

³ Hroub, Hamas: Political thought and practice: 69.

Hamas' MB roots gave it a profoundly religious character. Religion is used as justification for its political structure, setting the parameters within which decisions are debated.⁴ The centrality of religion legitimises the organisation in the OPT even though its support base is ideologically heterogeneous and inclusive of people from different religious backgrounds (including Christian).⁵ This religious authority is primarily a result of the pious behaviour that is expected of individuals; the perceived practice of such behaviour in Hamas' social institutions (seen to be transparent and honest); and the contrast to the perceived corruption of Hamas' secular rival Fatah and associated PLO and PNA leaders.⁶

Nationalism is also an important ideological influence. It distinguishes Hamas from other Islamic organisations (although not Hezbollah), such as al-Qaeda, which reject territorial nationality.⁷ Originally, nationalism was simply integrated into Hamas' wider religious theory. For instance, in the charter, the nationalist aim to liberate Palestine was reframed as reclamation of an Islamic *waqf*.⁸ However, nationalism gradually gained influence at the expense of religious principles. Since the late 1990s, statements by Hamas leaders have dropped reference to the Islamic *waqf*, referring to the conflict instead as "a struggle against the alliance of hegemonic colonialism (*isti'mar*) and Zionism directed against our entire nation...which finds multifarious expressions in the mechanisms of domination."⁹

The changing ideological composition is, in part, a product of the changing domestic environment.¹⁰ The Oslo Accords radically altered the domestic environment in the 1990s. Quasi-state institutions were formed, including the PNA, and for a time, popular Palestinian opinion turned against violent resistance.¹¹ Difficult decisions regarding interaction with the new institutions were required. In the lead up to the 1996 Palestinian Legislative

⁴ Gunning, *Hamas in politics*: 117, 25; Hroub, *Hamas: A beginner's guide*: 68.

⁵ Fawaz Gerges, "The transformation of Hamas," *Nation* 290, no. 3 (2010): 21; Gunning, *Hamas in politics*: 40.

⁶ ———, *Hamas in politics*: 118.

⁷ Asaf Maliach, "Bin Ladin, Palestine and Al-Qa'ida's operational strategy," *Middle Eastern Studies* 44, no. 3 (2008): 356.

⁸ An Islamic *waqf* is "a territory earmarked as a religious endowment entrusted to all generations of Muslims." Ashour, "Prospects of de-radicalization," 165.

⁹ Musa Abu Marzouq, 1995, as cited by Hroub, *Hamas: Political thought and practice*: 44.

¹⁰ Gunning, *Hamas in politics*: 25.

¹¹ Araj and Brym, "Opportunity, culture, and agency," 844.

Elections, a movement wide consultation process occurred through which the advantages and disadvantages of each option were aired.¹² Ismail Haniyeh, Sa'ad Namruti and Khalid Hindi even registered as candidates (causing much confusion). However, they withdrew their candidacy three days later due to the consensus decision to boycott the elections.¹³ The main sticking point was Oslo, for by "agreeing to enter the race [Hamas] would *by definition* have accepted it as a valid diplomatic and political framework."¹⁴

The growing tension between religion and nationalism reflected the tension between ideology and pragmatism.¹⁵ Hamas' actions are based on ensuring its survival; where Hamas' existence is threatened by ideology, it has been modified. Thus, Hamas is not using violence because traditional Islamic *fiqh* regards defence of the Islamic *waqf* as an obligation. Rather, it is a political strategy justified through religious conceptions of the conflict and the land. Other political strategies are employed when politically expedient (although Hamas has never given up its right to use violence).¹⁶ This manifested in the decision to run in the 2006 legislative elections. Since the al-Aqsa Intifada began in 2000, the domestic environment had changed sufficiently to allow Hamas to run in the elections because, in contrast to the 1996 elections, the Oslo Accords no longer represented a barrier to participation in formal political institutions. Furthermore, the deterioration of Hamas' military and financial position combined with its increasing popular support made strategic change a necessity.¹⁷

The elections themselves had a profound effect on the movement. By voting for Hamas, a formal PA contract developed between the Palestinian public (which always had significant influence) and Hamas. Now, policy decisions need to take into account the views of voters.¹⁸ Facts on the ground suggest that Hamas' preferred solution, a Palestinian state

¹² Mishal and Sela, *The Palestinian Hamas: Vision, violence, and coexistence*: 124-25. See Appendix 1 for a table of the advantages and disadvantages

¹³ Parsons, *The politics of the Palestinian Authority: From Oslo to al-Aqsa*: 193.

¹⁴ *Ibid.*, 186.

¹⁵ Mishal and Sela, *The Palestinian Hamas: Vision, violence, and coexistence*: 13.

¹⁶ *Ibid.*, 44.

¹⁷ Araj and Brym, "Opportunity, culture, and agency," 854-55.

¹⁸ The act of voting creates a PA contract between the voters, who become the principal, and the government, which becomes the agent. J. Lawrence Broz and Michael Hawes, "US domestic politics and International

over the whole of historic Palestine, is but a dream. Thus, Hamas attempted to engage with those realities without legitimising new developments. “Discussing details [of settlement plans] does not signify acceptance of the plans themselves.”¹⁹ Despite the need to also downplay religious discourse in order to increase its popular vote, the transformation visible in Hamas’ discourse and actions represents a genuine change in direction.²⁰ It is the changing ratio of religion and nationalism in Hamas’ discourse that has enabled this evolution of practice to occur.

It is relevant to note that the reduction in religious discourse did not result in demilitarisation. Although Hamas has more or less accepted an unofficial ceasefire since Operation Cast Lead in 2008, it has refused to accept the three conditions for participation in the international community imposed by the Quartet, the USA, Russia, the UN and the EU. Those conditions are recognition of Israel, renunciation of violence and respect of previous commitments signed by the PNA.²¹ Nevertheless, the emphasis on resistance is less about religion and more about a nationalist “*right* to end the occupation using ‘all means, *including*, armed struggle.”²² Hamas’ refusal to accept those conditions had a significant negative effect as the international community froze aid to the PNA and Israel refused to release taxes it had collected for the PNA. This forced Hamas to rely much more heavily on Iranian funding than previously.²³

In summary, there are two ideological threads running through Hamas thought and practice: Islamism and nationalism. This dualism led to two mutually exclusive goals: the creation of Palestine over the entirety of land historically referred to as Palestine, and the creation of a Palestinian state side-by-side Israel. Although Islamism was the dominant theme for a long time, nationalism has recently asserted itself. Where Hamas’ religious foundation is a product of its MB origins, the nationalisation of Hamas thought is a product of political

Monetary Fund policy," in *Delegation and agency in international organizations*, ed. D Hawkins, et al. (Cambridge: Cambridge University Press, 2006), 78.

¹⁹ Hroub, Hamas: Political thought and practice: 74.

²⁰ ———, "A "New Hamas"," 27.

²¹ Mahjoob Zweiri, "The Hamas Victory: Shifting Sands or Major Earthquake?," *Third World Quarterly* 27, no. 4 (2006): 681.

²² Hamas's Electoral Platform for "Change and Reform" as cited in Hroub, "A "New Hamas"," 10.

²³ See chapter eight for more detail.

changes. The Oslo Accords, their failure, and the 2006 election all prompted the move towards pragmatism reflected in the greater emphasis on nationalism. However, these events have so far not led Hamas to relinquish violence, although it called for a *hudnah* (long-term truce) of between ten and thirty years, which Israel refused, and adhered to a *Tahdi'ah* (period of calm) in 2005 until its termination in December 2008. Since the end of Operation Cast Lead, there has also been little inflammatory action taken. Instead, the election and subsequent actions by the international community have forced it to rely more strongly on the PA relationship with Iran, an uncomfortable position for the movement.

6.2 Organisational structure

While stated goals provide an impression of what the organisation wants to accomplish, the creation, modification and execution of those goals is a product of the movement's organisational structure. Organisations with different structures will act differently regardless of their stated goals. For example, Crenshaw suggests that groups, like al-Qaeda, "that use terrorism exclusively, for whom terrorism is an identity, may be hardest to change. Organisations that perform other functions, such as Hezbollah or Hamas, may be more adaptable despite absolutist doctrine."²⁴ Within Hamas, this is particularly important because there is tension between the internal leadership concentrated in the *Shura* (consultative) Council, Hamas' decision-making assembly, and the external leadership concentrated in the Political Bureau.

To understand the structure of the organisation, it is first necessary to know what functions it performs. Although Hamas engages in activities readily identifiable as 'terroristic' in that they target civilians with violence in pursuit of a political goal, the label 'terrorist' is too simplistic. The organisation engages in numerous non-violent activities, as demonstrated by the European Union's refusal to place Hamas on its 'terror list' in 2001, although the *'Izz ad-Din al-Qassam* Brigades (Qassam Brigades), Hamas' military institution, did

²⁴ Martha Crenshaw, "Pathways out of terrorism: A conceptual framework," in *Pathways out of terrorism and insurgency: The dynamics of terrorist violence and peace processes*, ed. L Germani and D Kaarthikeyan (Berkshire: New Dawn Press Group, 2005), 10.

feature.²⁵ In fact, there are three broad work spheres: social, military and political. These spheres are differentiated into committees according to what Mishal and Sela call a 'horizontal structure', functioning like a traditional 'bureaucratic hierarchy' each with different headquarters.²⁶ The institutional differentiation between these three spheres has created distinct pressures leading to divisions over strategic and tactical actions despite their ideological unity.²⁷

Social activities form the core of Hamas' work. The majority of its resources go into maintaining and expanding a network of social services which includes charities, mosques, *zakat* (religious tithe) committees, medical clinics, orphanages, unions, schools, and sports and cultural clubs. In the provision of welfare services, the movement does not discriminate based on religion or ideology (although there is an Islamic code in sports clubs).²⁸ These activities and institutions have become part of the fabric of Palestinian society to such an extent that it has proven impossible for Fatah or Israel to extricate them. They are also invaluable to the organisation in acquiring and maintaining public support. According to Levitt, funding for the Qassam Brigades often occurs via these charities.²⁹ However, the goodwill they create is much more important to Hamas in mobilising financial support for military activities than the direct transfer of money from social services.³⁰ On April 9, 2004, Hamas made a one-off appeal after Friday prayers in Gaza's mosques and other public places for financial aid specifically for its military activities. According to independent sources, it raised \$1.2 million. This statement attempted to demonstrate to Israel and the USA that freezing Hamas' assets outside Gaza would be of no consequence to the movement's ability to function.³¹

²⁵ Jensen, *The political ideology of Hamas*: 38-39. The EU has since bowed to USA pressure, and placed Hamas in its entirety on the list.

²⁶ Mishal and Sela, *The Palestinian Hamas*: 155-56.

²⁷ Jeroen Gunning, "Peace with Hamas? The Transforming Potential of Political Participation," *International Affairs* 80, no. 2 (2004): 236.

²⁸ Hroub, *Hamas: A beginner's guide*: 68; Jensen, *The political ideology of Hamas*; Mishal and Sela, *The Palestinian Hamas*: 156; Hroub, *Hamas: Political thought and practice*: 235.

²⁹ Levitt, *In the service of jihad*: x.

³⁰ Robinson, "Hamas as social movement," 126.

³¹ Hroub, *Hamas: Political thought and practice*: 70.

Hamas also engaged in dispensing social justice through the *shari'a*. *Shari'a* is Islamic law based on the Quran and sayings of the Prophet Muhammad as portrayed in the *hadith*.³² People came to Hamas, and in particular Yassin, with their disputes and abided by the judgements made. This role was aided by the poor state of the justice sector in the Gaza Strip, with delays in Israeli courts and protest resignations by police.³³ Since Hamas came to power in 2006, the Haniyeh government has also set-up its own judicial structure with many judges coming from *Shari'a* courts.³⁴

Political activities began during the First Intifada. These activities included coordinating daily protest activity like stoning, strikes, demonstrations, and slogan writing.³⁵ After the Intifada, it became heavily involved in student politics and set up parties in many Palestinian universities.³⁶ In contrast to the military wing, the political wing of the organisation makes decisions based on the effect it will have on its popularity, legitimacy and visibility.³⁷

Hamas recently also became involved in the PNA, formalising its relationship with the Palestinian community through voting. Transitioning to a governing political party was, and still is, difficult and carefully managed. A number of steps were taken to ensure that it was successful. Firstly, grassroots Hamas members elected government ministers.³⁸ Secondly, the Shura Council “acts as a shadow government, ensuring that government policies are in harmony with the broader agendas of Hamas and overseeing the conduct of internal political debates.”³⁹ Hamas members also became part of the bureaucratic structure, replacing many Fatah civil servants when they were ordered by the West Bank Fatah government not to show up for work.⁴⁰

³² "Sharia," in *World Encyclopedia* (Oxford University Press, 2008).

³³ ———, *Hamas: Political thought and practice*: 236.

³⁴ Yezid Sayigh, " Hamas rule in Gaza: Three years on," *Middle East Brief* 41(2010), <http://www.brandeis.edu/crown/publications/meb/meb41.html>. 3.

³⁵ Mishal, "Palestinian Hamas: A network perspective," 156.

³⁶ Robinson, "Hamas as social movement," 128.

³⁷ Gunning, "Peace with Hamas?," 236. See p.84 for the military wing's decision-making pressures.

³⁸ Hroub, *Hamas: A beginner's guide*: 64. See figure 5 for the Shura Council's place in Hamas' decision-making.

³⁹ Sayigh, "Hamas rule in Gaza ". 2.

⁴⁰ *Ibid.*

Nevertheless, there is tension between the Hamas government and the Hamas movement based on differing political agendas. The Jaljalat network is comprised of armed militants claiming affiliation to Salafist groups in Gaza, some of whom are members of the Qassam Brigades. This network was developed after the decision was made by Hamas to participate in the 2006 elections, afraid that Hamas government normalised and compromised itself ideologically with its failure to rapidly Islamise society.⁴¹ There is some evidence to suggest that the group is a product of an internal power struggle and controlled by a particular faction headed by Minister of Interior, Fathi Hammad, who also has close ties to Hamas' social network. He was accused of building a personal executive force by Ahmad al-Ja'bari, the Qassam Brigades' second-in-command.⁴²

The Qassam Brigades formed in 1991 to professionalise Hamas' resistance to Israel. Through necessity, the Qassam Brigades are constantly evolving, secretive, and highly decentralised to ensure its security. Even the leadership is separate from the main Hamas leadership, although there is some overlap with people, such as Abbas al-Sayyid, acting as both a local political leader and cell coordinator.⁴³ Therefore, although the political leadership has theoretical control and the Brigades have acted in the past on the instructions of the political leadership, there is considerable space for the Brigades to work independently of the Shura Council or with other influential individuals or factions.⁴⁴ The pressures which influence the Brigade's decisions are about ensuring both operational efficiency and secrecy.⁴⁵ After the 2006 elections they were co-opted into policing Gaza and suppressing Fatah's security institutions through the creation of the executive force.⁴⁶ This force was abolished in 2007 as the tension between resistance and policing increased.⁴⁷

⁴¹ ———, *"We Serve the People": Hamas Policing in Gaza*, ed. Naghmeb Sohrabi, vol. 5, Crown Paper (Brandeis University, Crown Center for Middle East Studies, 2011). 16-17. The Jaljalat network numbers around 2,500-3000 according to Fatah sources. It is suspected of being responsible for a number of attacks against cybercafés and Hamas vehicles and security offices.

⁴² ———, "Hamas rule in Gaza ". 4. See more on personal rivalries below.

⁴³ Levitt, *In the service of jihad*: 4.

⁴⁴ Gunning, *Hamas in politics*: 115.

⁴⁵ ———, "Peace with Hamas?," 236.

⁴⁶ Sayigh, "We Serve the People", 5: 12.

⁴⁷ *Ibid.*, 57; Hroub, *Hamas: A beginner's guide*: 164.

There is also a vertical structure within the organisation as illustrated in figure 5.⁴⁸ At the bottom of this vertical structure are cell members and their leader. At the next level are the regional shura councils. There are seven regional councils in Gaza and a further five in the West Bank. There also appears to be councils in Israeli prisons, although they differ somewhat from the regional councils.⁴⁹ Further up the hierarchy is the national Shura Council which appoints the Political Bureau. Members of the Shura Council and Political Bureau are representative of different geographic regions. There are members both outside and inside the OPT on the Political Bureau, however, the former dominate. The same applies to the Shura Council in reverse.⁵⁰ Theoretically, the Shura Council sets the political agenda and the Political Bureau implements it. The differentiation between these two institutions' roles is similar to the legislature and executive of a state. Like a legislature or Iran's Assembly of Experts, the Shura Council also has the power to dismiss the Political Bureau should the Bureau overstep its bounds, although this has yet to occur.⁵¹ The different hierarchical institutions also all have informal affiliations with the different social, military and political bodies that carry out the grassroots work of the organisation.⁵²

Although this hierarchy suggests the policy-making direction is top-down, the actual formulation of policy is more complex. Regional shura councils are elected by the grassroots membership. These councils, in turn, elect the national Shura Council. Furthermore, decisions are expected to be made only after extensive consultation within the Shura Council and the wider membership. An example of this was the decision by Hamas first to refuse to participate in the 1996 legislative elections and then to take part in 2006. These decisions were only made after the Council had conferred with the grassroots membership.⁵³ The expectation of consultation combined with elections has left little place for Yasir Arafat style charismatic authority. Although certain leaders, such as Yassin, possess charismatic qualities, it has not meaningfully enhanced their ability to dictate

⁴⁸ Mishal and Sela, *The Palestinian Hamas*: 155.

⁴⁹ Gunning, *Hamas in politics*: 99; Mishal and Sela, *The Palestinian Hamas*: 173.

⁵⁰ ———, *The Palestinian Hamas*: 157-63; Gunning, *Hamas in politics*: 99; Hroub, *Hamas: Political thought and practice*: 58-59.

⁵¹ Gunning, *Hamas in politics*: 98-100.

⁵² Mishal and Sela, *The Palestinian Hamas*: 173.

⁵³ Gunning, *Hamas in politics*: 103.

decisions. Statements made by these leaders are only considered authoritative if they are representative of the Shura Council.⁵⁴

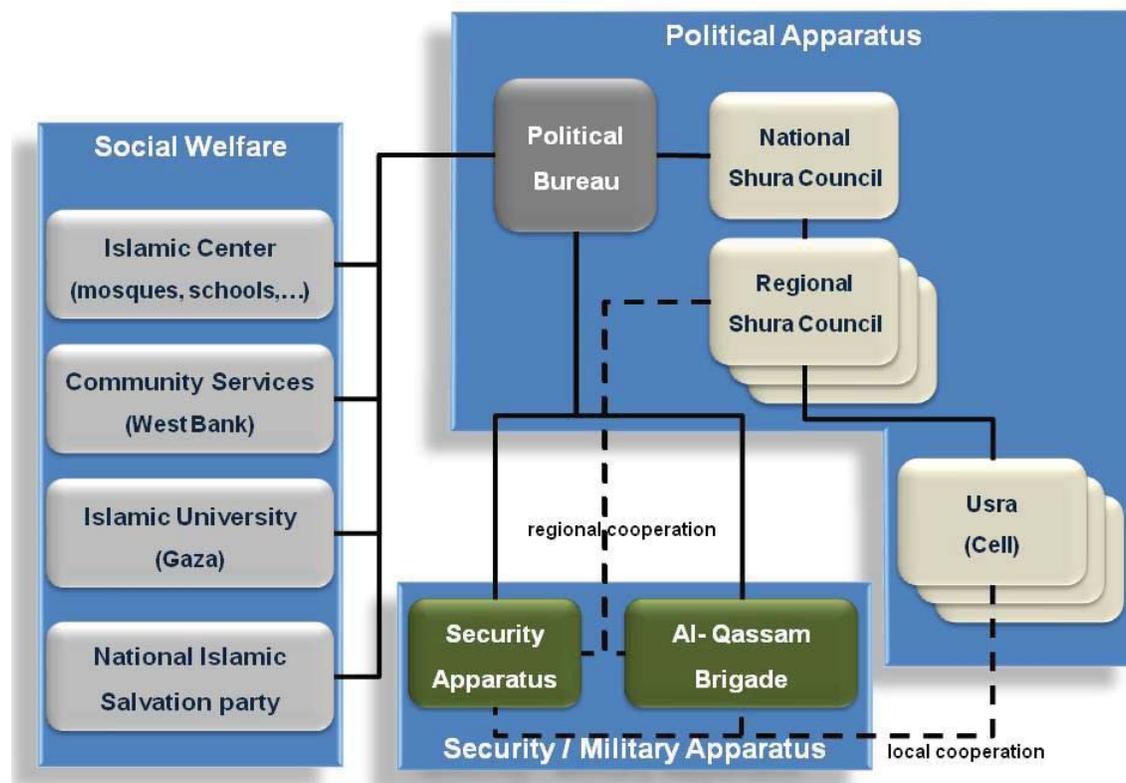


Figure 5: Organisational structure of Hamas in *Hamas between Violence and Pragmatism* (Walther, 2009, p.47)

Nevertheless, religious authority does have an informal influence over decisions made. Religion is influential because it “informs Hamas' political culture and legitimates its political structures. It influences the way Hamas members vote and what they expect from their leaders. It affects the moral and legal framework within which leaders are expected to make their decisions, and influences which topics are considered taboo.”⁵⁵ Even the importance of consultation is based on statements within the Quran exhorting the necessity of consultation (although it does not specify with whom leaders must consult).⁵⁶

⁵⁴ Ibid., 101.

⁵⁵ Ibid., 117.

⁵⁶ Ibid., 73.

Authority is undermined in a couple of ways. Firstly, although the Bureau is theoretically subordinate to the Shura Council, it has its own sources of power enabling it to undermine formal political structures. This power arises from the Bureau's control over funds raised internationally, possible because so many Political Bureau members live outside the OPT.⁵⁷ They are the ones that represent Hamas to the rest of the world. It was the close relations between the exiles, particularly Musa Abu Marzook, and the governments of Jordan, Iran and Syria, that made fund-raising and activism in neighbouring countries possible and led to the restructuring of the organisation on an inside/outside dichotomy. As the organisation became more dependent on these sources of funds in the 1990s, the power of the external leadership increased at the expense of the inside leaders.⁵⁸ The Political Bureau's power is further enhanced by their informal control of the Qassam Brigades.⁵⁹ The Brigade's isolation from the formal political leadership of the Shura Council allows the Bureau to co-opt the Brigades to serve its purposes. This is especially the case since the Political Bureau effectively controls the Brigade's income.⁶⁰ Such seemed to be the case in 1996 after the Shura Council had agreed a *hudnah*⁶¹. However, it is possible that after the 2006 elections, the center of gravity shifted away from the Political Bureau and back to the Shura Council due to its central role in shadowing the PNA to ensure its policies were suitable for Hamas, popular mandate, and the income derived from the smuggling tunnels.⁶²

Personal rivalries also complicate the formal decision-making process. Sometimes, they exacerbate the tension between the Political Bureau and the Shura Council. The rivalry between Khalid Mishal (chairman of the Political Bureau) and Haniyeh (Gaza's Hamas Prime Minister) is a good example of this occurring. However, the distinction between inside and outside is becoming more blurry, particularly since the 2006 elections. For example, Mahmud al-Zahar, an inside leader, is now more uncompromising than Haniyeh, drawing closer to Mishal's position in the process. Likewise, Musa Abu Marzuq, deputy leader of the Political Bureau, holds a position closer to Haniyeh's than Mishal's.⁶³ It is the

⁵⁷ Ibid., 102.

⁵⁸ Mishal and Sela, *The Palestinian Hamas*: 88.

⁵⁹ Ibid.

⁶⁰ Gunning, *Hamas in politics*: 115.

⁶¹ See p.124 for more on this episode.

⁶² Sayigh, "Hamas rule in Gaza," 2-6.

⁶³ Shaul Mishal, "Hamas: The agony of victory," *Strategic Assessment* 9, no. 1 (2006): 3.

ideological evolution to a greater reliance on nationalist discourse that is fuelling these rivalries. However, the tension between Abu Marzuq and Mishal has a long history. It is based on what Abu Marzuq considers Mishal's usurpation of his leadership position after he was arrested in the USA.⁶⁴

Decision-making is slowed down as a result of these tensions and exacerbated by the requirement for consultation. Slow decision-making is not necessarily negative because policies are less likely to be of poor quality if the process is not rushed. However, the divisions also prevent the movement reacting in a timely and coherent fashion to political events, as during the consultative process before the 1996 election.⁶⁵ When consultation is taken to an extreme, it becomes similar to the concept of consensus, and decision-making becomes less flexible, making adaptation to external changes more difficult. This problem is illustrated by Hamas' continued refusal to recognise Israel, despite comments by Haniyeh and, most recently Mishal, that suggest they are amenable to a change in position.⁶⁶

In sum, there is both a horizontal and vertical structure within Hamas. Horizontally, the organisation is divided into social, military and political wings. Vertically, there is a hierarchy of decision-making from cell members at the bottom to the Shura Council and Political Bureau at the top. Despite this hierarchy, consultation and democracy play important roles in decision-making. On major decisions, the entire body is consulted. A separation of powers, reminiscent of the separation of powers between an executive and legislature, exists between the Shura Council and Political Bureau. Such partition increases tension. Tension between various personalities also became part of the organisational context. Such clashes include those between Mishal and Musa Abu Marzuq, Haniyeh and Mishal, and al-Zahar and Haniyeh.

⁶⁴ Paul McGeough, *Kill Khalid: Mossad's failed hit...and the rise of Hamas* (Crows Nest: Allen & Unwin, 2009); Mishal, "Hamas: The agony of victory," 4.

⁶⁵ Hroub, *Hamas: Political thought and practice*: 59; Parsons, *The politics of the Palestinian Authority*: 193.

⁶⁶ Gunning, *Hamas in politics*: 113; Editorial, "Hamas's disputes," *Al-Quds al-Arabiya*, February 22, 2012, <http://alquds.co.uk/index.asp?fname=data%5C2012%5C02%5C02-21%5C21qpt999.htm&arc=data%5C2012%5C02%5C02-21%5C21qpt999.htm>.

6.3 Conclusion

Nationalism and Islamism influences Hamas' goals and actions. The nationalist discourse recently became dominant, easing the movement's transition to more pragmatic action with an emphasis on an independent Palestinian state whether that includes Israeli territory or not. Hamas' political, military and social activity is structurally differentiated. A Political Bureau, appointed by the national Shura Council, oversees the day-to-day functioning of these wings. The Shura Council, elected by regional shura councils, is responsible for the overall position and policy direction of Hamas. In turn, the regional shura councils are elected by the grassroots membership. This electoral process, combined with a strong tradition for consultation and religious authority, grants Hamas' leaders legitimacy. However, these mechanisms are undermined by the accumulation of power in the Political Bureau. The necessity for covert action also creates space for factions to manipulate diverse sources of power, such as the Qassam Brigades.

7 Iranian Delegation to Hamas: The Costs and Benefits

Having set the groundwork, this chapter will answer the research questions from the perspective of the IRI. They are: What are the costs and benefits that arise from the relationship for each of the actors – the IRI and Hamas; and how has the relative weight of those costs and benefits changed over the course of the relationship and why has it changed? The following chapter will do the same for Hamas.

As stated in chapter two, there are policy alternatives to delegation for the IRI.¹ The IRI cooperates with most regional actors (excluding Israel, Saddam Hussein's Iraq, and the Taliban regime), some non-state actors and even the USA when the opportunities arise. However, a combination of distrust, misunderstandings, bad judgement and bad timing conspired to prevent cooperation from dominating Iran's foreign policy. Unilateral action was also not perceived as an option due to the negative consequences, war and isolation, of such a policy. Therefore, a combined policy of cooperation with strategic state actors (Syria), delegation to non-state actors (Hezbollah and Hamas), and opportunistic cooperation with regional powers when circumstances allow or dictate (Saudi Arabia) is employed.² However, delegation is not a perfect solution. Iran's control over Hamas is weak, increasing the importance of external events on the strength of the relationship as they alter the preferences of each actor and, therefore, the amount of slack that occurs and Iran's tolerance of that slack.

Byman uses a simple coded table to compare the motivations of different states for sponsoring VNSs.³ Each motivation is weighted between one and three, with one denoting a leading concern, two an important concern, three a present but non-vital motivation. This coding system, while being problematic in that it is subject to the opinions of the coder, is easily adapted to a comparison between the importance of different benefits and costs

¹ See p.14-16

² A brief account of the IRI's record in relation to the different foreign policy alternatives utilised since 1990 is given in Section 2.1: Definitions

³ Byman, *Deadly connections*: p.23

during different phases of the Iran-Hamas relationship as demonstrated in table 2.⁴ Each benefit and cost is weighted according to how much impact it has on Iran's calculations. In contrast to Byman, however, the weights are reversed: one shows low (but present) impact and three shows high impact. It is important to note that the importance of the various variables is not static over each time-period. This table and the reasons for why the benefits and costs are high or low during the different phases are elaborated on in the following sections. Section 7.1 takes a more in depth look at the benefits for Iran— what they are and how and why they change over time. Section 7.2 looks at the costs and methods for minimising them.

Table 2: Iran's benefits and costs (criteria identified by Salehyan, 2010 and Byman & Kreps, 2010)

Iranian Preferences											
Phase		Benefits					Costs				
		Expertise	Credible Commitment	Plausible Deniability	Domestic Legitimacy	Foreign Legitimacy	Avg. benefit	Adverse selection	Shirking	Slippage	Avg. cost
I	1979-1989	0	0	0	0	1	0.2	3	3	3	3
II	1990-1999	3	1	2	0	3	1.8	0	2	1	1
III	2000-2003	1	1	3	0	1	1.2	0	1	3	1.3
	2004-2005	2	2	3	0	2	1.8	0	1	2	1
IV	2006-2009	3	2	2	0	3	2.2	0	1	1	0.7
V	2010-2011	2	2	2	1	2	1.8	0	1	3	1.3

7.1 Benefits of delegation

In this section, we look at the technical benefits from the relationship accrued by Iran starting with Hamas' expertise and moving through credible commitments, plausible deniability, and domestic and international legitimacy. Of these benefits, the IRI profited from all of them as demonstrated in table 2. However, Iran received the most benefit

⁴ Ibid., 26. See table 3 for Hamas' costs and benefits.

during phase IV with an average of 2.2 (between important and vital). Foreign legitimacy and expertise were considered of vital concern and credible commitments and plausible deniability of significant, if not vital, value. The benefits potentially received from a relationship were at their lowest during the 1980s, virtually zero, which is why there was no delegation during this time. This section looks at why the importance of the said benefits changed.

Expertise

Expertise is the primary benefit for Iran. The degree of importance Iran attaches to Hamas' expertise is inextricably intertwined with the degree of importance attached to the other benefits, because it is due to Hamas' expertise that all other benefits from the relationship are possible (see table 2).

Hamas has three assets which make it valuable to Iran: skills in asymmetric tactics; Palestinian nationality; and governing capabilities. They were immaterial during the 1980s, because projecting power in Israel was unnecessary with Israel cooperating. However, during the 1990s as disrupting the peace process became vital, the expertise became crucial (see table 2) because Iran was hampered by distance and general conventional military weakness.⁵ Hamas became skilled in the use of asymmetric tactics during the First Intifada (1987-1993).⁶ However, the IRGC is also skilled in asymmetric conflict, even helping train Hamas.⁷ Therefore, although being able to use asymmetric tactics was a prerequisite for delegating to Hamas, there were also other considerations for forming the relationship.

Hamas' success in disrupting the peace process is based not just on its asymmetric skill but its identity as Palestinian. If attacks were seen to be instigated by Iran itself, there would not be an impact on the peace process because Iran is not a party to this process. Although Hamas itself is not a party to the accords, the PLO, as 'sole representative of the Palestinian community', was held responsible for attacks that occurred from the OPT regardless of

⁵ See p.44-45 for detail on why Iran needs to disrupt the peace process.

⁶ Mishal and Sela, *The Palestinian Hamas*: 18.

⁷ Abedin, "Iran's Revolutionary Guards: Ideological but not praetorian," 381; Marie Colvin, "Hamas wages Iran's proxy war on Israel: A Hamas leader admits hundreds of his fighters have travelled to Tehran" *Sunday Times*, March 9 2008, http://www.timesonline.co.uk/tol/news/world/middle_east/article3512014.ece.

which Palestinian VNS instigated them, since the PLO through the PNA was given the institutional power to police specific areas.⁸ By undermining the PNA's credibility with Israel and the international community, Hamas was able to aid the collapse of the peace process. Secondly, Hamas members have more knowledge of the terrain and populations on Palestinian land, are native Arabic speakers, and are more trusted than the IRGC by virtue of having grown up and lived there. Finally, being non-Iranian means that the human cost of fighting Israel does not negatively impact Iran's domestic environment in the same way as Iranian deaths would.⁹ In short, by delegating authority to Hamas, Iran reaps the reward of disabling the peace process more effectively without incurring the costs associated with knowledge acquisition or lost life.

Hamas' entrance into Palestinian political institutions through the 2006 elections also changed Iran's strategic calculus. The election gave Hamas political as well as militant means to disrupt the peace process. Iran used Hamas' newly found diplomatic leverage to its advantage. Iran even rewarded Hamas financially for refusing to agree to a unity deal with Fatah (Hamas' political rival) which would have increased prospects for peace.¹⁰ After the Egyptian revolution, when it looked like there was going to be a substantial warming in ties between Egypt and Iran, a unity pact between Hamas and Fatah also occurred. However, a year later when further changes in relations did not eventuate due to Saudi pressure on Egypt, news reports suggested that Iran arranged for certain Hamas leaders, including al-Zahar and Haniyeh, to scupper the subsequent deal with Fatah arranged by Qatar.¹¹

Credible Commitments

On December 15 2005 during a visit to Tehran, Hamas leader Mishal claimed that if Israel were to attack Iran, Hamas would increase its campaign of violence against Israel; such a

⁸ Parsons, "The Palestinian Authority security apparatus," 361.

⁹ Salehyan, "The delegation of war," 503.

¹⁰ Intelligence Briefing, "Hamas 2010 budget mainly 'foreign aid' from Iran," *World Tribune.com*.

¹¹ Reuters, "Iran paid Hamas to block Palestinian unity deal," *Haaretz*, March 20 2012, <http://www.haaretz.com/news/diplomacy-defense/fatah-iran-paid-hamas-to-block-palestinian-unity-deal-1.419788>.

declaration is very valuable.¹² By projecting its power through Hamas, Iran credibly commits to retaliating against perceived and actual Israeli offences in a way that it cannot through conventional means due to its military weakness vis-à-vis Israel.¹³ Israel is less likely to attack Iran directly when it will influence the number of terror attacks on its own civilians. Although Rabinovich on p.19 refers not to Hamas, but to Hezbollah, the sentiment stands. In fact, the Israeli invasion of Gaza in 2008 sought to limit Hamas' capabilities in this area in much the same manner as Israel hoped (but failed) to achieve in the 2006 Israel-Hezbollah war.

As demonstrated in table 2, credible commitments were not important early on. In the 1980s and early 1990s, there was not a major fear of Israeli reprisal against Iran. Israel was Iran's principal weapons supplier during the Iran-Iraq war and remained committed to the 'periphery doctrine'. At the end of the Gulf War, this changed and Israel began to describe Iran as a threat, increasing the need to credibly commit to retaliation. During the late 1990s and early 2000s, when cooperation with the USA was at a height, it declined again. However, Bush's inclusion of Iran in the axis of evil speech in 2002 reignited the need to credibly commit, particularly after the demonstration of USA power in Iraq. Since then, the requirement for credible commitment has remained high. Israel has repeatedly called for the USA to act before Iran becomes nuclear weapons capable. However, although there is evidence that covert action against Iran's nuclear programme is occurring, no explicit action has yet been taken.¹⁴ Some commentators, such as Eiland, simply do not believe Israel has the capacity to attack despite its claims to the contrary.¹⁵ Even if it did have the capacity, an attack would not prevent Iran attaining a nuclear weapon, only slow down the process by a year or two. Furthermore, the consequences of retaliation from Iran and its

¹² Parisa Hafezi, "Update 1: Hamas says will step up attacks if Israel hits Iran," *Reuters News*, December 15 2005.

¹³ Byman and Kreps, "Agents of destruction?," 4.

¹⁴ Karl Vick, "Was Israel behind a deadly explosion at an Iranian missile base?," *Time*, 13 November 2011; Golnaz Esfandiari, "Iran's retaliation for nuclear scientist's killing will 'extend beyond the region'," *Radio Free Europe/Radio Liberty*, January 11 2012, http://www.rferl.org/content/iran_retaliation_for_nuclear_scientists_death_will_extend_beyond_region/24449077.html. Three Iranian nuclear scientists, including Mostafa Ahmadi Roshan, have been assassinated. A series of unexplained explosions have been reported at various military and nuclear facilities, including a missile base to the west of Tehran, and the computer worm, stuxnet, attacked the Natanz nuclear facility and others, damaging their centrifuges.

¹⁵ Giora Eiland, "Israel's Military Option," *Washington Quarterly* 33, no. 1 (2010), 126-127.

agents, as Mishal declared would occur, might be too great for Israel.¹⁶ An overt attack against Iran has the potential to ignite the whole region if the agents act on their statements.

When Iran does manage to become nuclear weapons capable, having an agent capable of attacking Israel becomes less meaningful in terms of Iran's credible commitment, as nuclear weapons represent a bigger and more credible threat to Israel than a VNS. Agents will not necessarily attack Israel simply because the country attacked Iran. It will be dependent on how that will affect the agents own preferences as well.¹⁷ A nuclear weapon is different. The use or not of it is dictated solely by Iran's preferences, making it more effective as a deterrent than delegation.¹⁸

Furthermore, although credible commitments are significant to Iran, they are not as important in this relationship. Hezbollah is far more important in this area, being more likely to act on Iran's orders and having already demonstrated its capacity to hurt Israel significantly in the 2006 war. In 2011, Iran had to choose between coercing support for al-Assad from Hamas and ensuring Hamas' willingness to attack Israel should it be required. Iran chose coercion, which failed, and increased distance in the relationship to such an extent that, in the media, Hamas officials ruled out military support for Iran in a war with Israel.¹⁹ However, since that statement, it appears the relationship was repaired with Iran restarting its funding.²⁰

Plausible Deniability

By delegating to Hamas, Iran projects its power without major consequences precisely because it is not the one directly involved. If the IRI was to attack Israel directly and its activity traced back to Iran, international isolation would increase. Conflict escalation

¹⁶ *The Rubin Report*; "Israel is not about to attack Iran and neither is the USA: Get used to it", blog entry by Barry Rubin, January 26 2012, <http://rubinreports.blogspot.co.nz/2012/01/israel-is-not-about-to-attack-iran-and.html>.

¹⁷ See section 7.2 for detail on slack.

¹⁸ Rubin, "Israel is not about to attack Iran".

¹⁹ Harriet Sherwood, "Hamas rules out military support for Iran in any war with Israel," *The Guardian*, March 6 2012, <http://www.guardian.co.uk/world/2012/mar/06/hamas-no-military-aid-for-iran?newsfeed=true>.

²⁰ Reuters, "Iran paid Hamas to block Palestinian unity deal," *Haaretz*. See p.109 for an explanation as to why the relationship was repaired.

beyond Iran's means to control is also a possibility.²¹ Delegation smudges Iran's metaphorical fingerprints whenever Hamas launches a rocket or uses a suicide bomber, making it difficult to hold Iran accountable despite the known links between Iran and Hamas.²² The degree of separation between Iran and Hamas' actions is increased via Hezbollah which sometimes acts as an intermediary between Iran and the Palestinians.²³ Iran can plausibly deny responsibility for terror attacks with minimal risk of exposure even where there are suspicions of Iranian involvement, because there are more direct participants.²⁴ Without proof, retaliating against Iran is more difficult because the international community will not be united in condemnation.

Political factionalism within Iran enhances the deniability gains from delegation. With the various factions in disagreement over the proper place for supporting VNSs, it is possible for one faction to deny knowledge of support even when proof of Iranian involvement is apparently concrete (as during the Karine A affair).²⁵ This provides the regime with some flexibility in its delegation. In the past, the desire to enhance reformist's power within the establishment has also made it difficult for foreign regimes to formulate coherent policy in response to Iranian delegation to Palestinians.²⁶ However, when Ahmadinejad became president, the reformists were gradually isolated institutionally.²⁷ After the repression of 2009 following post-election protests, the exclusion became such that aiding the reformists return to power appears hopeless.

²¹ Byman and Kreps, "Agents of destruction?," 8.

²² Shay, *The axis of evil*: 2; Hroub, *Hamas: Political thought and practice*: 176.

²³ Byman, *Deadly connections*: 86; "Hizbollah: Rebel without a cause?," in *Middle East Briefing* (Amman/Brussels: International Crisis Group, 2003), 10.

²⁴ Byman et al., *Iran's security policy*: 84.

²⁵ Parsi, *Treacherous Alliance*: 235; Takeyh, *Guardians of the revolution*: 213. The Karine A affair occurred on January 3, 2002. The Israeli Defence Force intercepted the ship Karine A. During a search of the ship, a variety of weapons marked as being of Iranian make were found. There is controversy over the full details of Israel's capture of Karine A. President Khatami vehemently denied any knowledge of the shipment, as did all members of the SNSC. Nevertheless, no official inquiry was ever conducted. Some explanations of the affair suggest that the affair was orchestrated without Khatami's knowledge by radical elements within the government. Another theory is that Iran did not send the weapons at all, but was set-up by Israel.

²⁶ Shay, *The axis of evil*: 3.

²⁷ Reza Razavi, "The Road to Party Politics in Iran (1979-2009)," *Middle Eastern Studies* 46, no. 1 (2010): 83.

Despite its importance, there are problems with plausible deniability. It undermines Iran's legitimacy on the Arab Street which is gained through public demonstrations of support for the Palestinians. Thus, there is a delicate balance to be maintained between public declarations of support and hard evidence of military aid.²⁸ This was particularly the case in the 1990s. In the early 2000s, legitimacy lost some of its importance due to the stronger relationships Iran had with Arab governments and the USA. Plausible deniability became of the utmost importance during this time due to the negative attitude of the USA towards such delegation. It is suggested that the strong links made to Iran in the Karine A affair contributed to Iran's inclusion in the axis of evil speech.²⁹ Nevertheless, the policy has done what it was intended to do. Iran has support on the streets of the Arab world, if not always with their governments, and an escalation in conflict with Israel has not occurred.³⁰

Sick considers a further problem with the policy of plausible deniability. By not only publicly advocating support for Hamas (and Palestinians in general) and refusing to be transparent about national interest, as well as denying all allegations with and without evidence, accusations of military support for Hamas gained credence.³¹ One example of this is the allegations made by the USA and Saudi Arabia regarding an IRGC assassination attempt against a Saudi envoy in the USA.³² Whatever the truth behind the allegations, and the veracity of the claims is highly questionable, they provided Iran's rivals (USA and Saudi Arabia) with leverage to further their own agendas at Iran's expense, precisely because Iran is unable to effectively defend itself against the allegations.

Plausible deniability's relevance declined after Hamas' 2006 electoral win invested the organisation with a political legitimacy that belied the international community's framing of the organisation as terroristic. Now, even with certain proof of Iran's financial support

²⁸ Parsi, *Treacherous Alliance*: 177.

²⁹ Norton, *Hezbollah: A short history*: 93.

³⁰ Shibley Telhami, "Annual Arab public opinion survey," (University of Maryland, 2010), 43. For instance, the 2010 Arab Public Opinion Poll found that 77% of the Arab public across Egypt, Jordan, KSA, Lebanon, Morocco and UAE believe that Iran has a right to a nuclear programme. See also chapter five in Wehrey et al. (2009); This poll documents the fluctuating opinions of Iran among the Arab public noting that they are generally positive although they fluctuate as regional events occur.

³¹ Gary Sick, "Iran: confronting terrorism," *The Washington Quarterly* 26, no. 4 (2003): 86.

³² Robert Tait, "Iran assassination plot raises questions," *Radio Free Europe/Radio Liberty*, October 12 2011, http://www.rferl.org/content/iran_assassination_plot_raises_questions/24357565.html.

for Hamas, retaliation against Iran to sever that link would still be fraught with difficulties. Israel finds retaliation against Hamas hard to justify to the international community, let alone retaliation against Iran for Hamas' actions. This is especially so, because the international community includes governments that require the support of their publics, whose sympathy lies with the elected party. Bear in mind though that this did not deflect Israel from Operation Cast Lead against Gaza in 2008. Nevertheless, some analysts, in accordance with this theory, believe that Iran has "become bolder and more open in its support of such activity in recent years."³³

Domestic Legitimacy

While supporting Palestinian VNSs is motivated primarily by domestic legitimacy for countries such as Syria, this is not the case for Iran. The Palestinians are not as strongly 'kin' to the Iranians as they are to the Syrians. The majority of Iranians are Persian and Shia. Although Iran has attempted to discount the differences between Shia and Sunni Muslims, this is catered more towards the Arab Street and less towards its own citizens.³⁴ Thus, decisions taken on foreign policy have been based more on national interests and strategic considerations rather than ideology and kinship.³⁵

When Ahmadinejad became president in 2005, the rhetoric against Israel increased. Some commentators suggest Ahmadinejad amplified the rhetoric to increase his domestic popularity. However, while Ahmadinejad is able to make grand statements, his control over foreign policy and delegation to Hamas in particular is actually relatively weak.³⁶ Furthermore, if his incendiary remarks against Israel were designed to increase his popular legitimacy, it failed as demonstrated by the victory of his rivals in local and Assembly of Experts elections in 2006.³⁷ More recently, although Ahmadinejad was re-elected in 2009, the validity of the election results is questionable. Allegations of fraud were made and

³³ Dalia Dassa Kaye and Frederic Wehrey, "Containing Iran?: Avoiding a Two-Dimensional Strategy in a Four-Dimensional Region," *Washington Quarterly* 32, no. 3 (2009): 39.

³⁴ Iran has a Sunni Arab minority concentrated in the Southern oil rich region, Khuzestan. Protests and calls for autonomy have been made and repressed. John Bradley, "Iran's Ethnic Tinderbox," *Washington Quarterly* 30, no. 1 (2007).

³⁵ Byman, *Deadly connections*: 27; Parsi, *Treachorous Alliance*: xii.

³⁶ See p.67-68 for a discussion of presidential power.

³⁷ John Tures, "Rattling the Hesam: International distractions from internal problems in Iran," *Asian Politics and Policy* 1, no. 1 (2009): 62.

post-election protests were put-down violently.³⁸ At times, the focus on Levant politics has even negatively impacted the fortunes of those in power. During the 2006 Israel-Hezbollah war, Menashri remembers hearing this Iranian proverb: “If the lantern is needed at home, donating it to the mosque is *haram* [forbidden].”³⁹ That is to say, it is necessary for the IRI to resolve its own internal economic problems before aiding other people, regardless of the legitimacy of their struggle.

Tures suggests that instead of popular support and legitimacy per se, support for Hamas and other VNSs is about power. Ahmadinejad acts as he does internationally in order to divide and conquer the conservative elite in Iran whom are at odds with him. By making provocative remarks, Ahmadinejad hoped he would be criticised by the reformists, who prior to the 2009 election were still part of the mainstream political elite, even if increasingly isolated. Such criticism would then, according to this thinking, decrease his problems with his conservative critics who will support Ahmadinejad in order to outflank a reformist resurgence.⁴⁰ This strategy is less effective after the 2009 uprising and repression which institutionally incapacitated the reformists.

Even if Tures was accurate, the need to support Hamas tangibly was minimal. In cases where the reasons for supporting VNSs are domestic, it is appearance not reality that matters most. Arab countries are known for public expressions of support for Palestinian VNSs even as they refuse to provide financial aid and restrict political space for these organisations to mobilise within their own countries.⁴¹ For instance, in 1995, Abu Marzuq, at the time the ostensible leader of Hamas, was prevented from reentering Jordan, though the rest of the movement remained there until 1999.⁴² If this method were successful, it would be as successful using empty rhetoric as concrete support. Thus, although there is

³⁸ Ali Ansari, *Crisis of authority: Iran's 2009 presidential election* (London: Royal Institute of International Affairs, 2010).

³⁹ Menashri, "Iran's regional policy," 162.

⁴⁰ Tures, "Rattling the Hesar," 63-64.

⁴¹ Byman, *Deadly connections*: 49.

⁴² McGeough, *Kill Khalid*: 80.

genuine sympathy for the Palestinians within the Iranian elite, there are much stronger motivations at play for delegating to Hamas.⁴³

Nevertheless, very recently, Iran required Hamas' expertise for the purposes of domestic legitimacy. It is not its own legitimacy Iran is concerned about, but Syria's. A Syrian regime change would be a strategic catastrophe for Iran, constraining its foreign policy given that Syria's proximity to Lebanon affords Iran an easy route through which to equip and fund Hezbollah.⁴⁴ Thus, in Syria in 2011, Iran did not want to use Hamas to bolster its own support on the Arab Street. Iran wanted to use Hamas' popularity to delegitimise opposition to al-Assad through public demonstrations of support.⁴⁵ Unfortunately for Iran, Hamas refused to comply despite attempts to compel obedience (see below).⁴⁶

International Legitimacy

International legitimacy is enhanced because the Palestinian VNSs are admired by the Arab public.⁴⁷ Despite the authoritarian nature of many Arab regimes, domestic opinion matters. Accommodation with Israel is not publicly popular in the Arab world; it is one reason why the Syrian government has not reached peace with Israel.⁴⁸ However, Egypt and Jordan both chose accommodation with Israel, and Saudi Arabia is friendly with the USA. Opposition to an Iran demonstrating support for Palestinians compounds issues of legitimacy raised by their accommodation, as opposition is framed as approval of Israeli and USA Palestinian policies.⁴⁹ When Egyptian and Jordanian officials speak out against Iran by warning against a 'Shiite crescent', as King Abdullah did in 2004, it is generally rejected by their populations.⁵⁰ During the 2006 Israel-Hezbollah war, Saudi Arabia initially sided with Israel, blaming Hezbollah for its "irresponsible adventurism". However, the government misjudged the degree of popular support that existed for

⁴³ Byman, *Deadly connections*: 32.

⁴⁴ Neil Macfarquhar, "Iran's president urges Syria to end violence; Region in revolt," *International Herald Tribune*, September 10 2011.

⁴⁵ Bronner, Shadid, and Zoepf, "Tensions Rise as Hamas Refuses To Take Sides in Syrian Unrest," *New York Times*.

⁴⁶ See p.120-121 for further detail on this episode.

⁴⁷ Byman, *Deadly connections*: 44.

⁴⁸ *Ibid.*, 30.

⁴⁹ Parsi, *Treacherous Alliance*: 4.

⁵⁰ *Ibid.*

Hezbollah and, by extension, Iran; this mistake enhanced Iran's legitimacy at Saudi Arabia's own expense.⁵¹ By securing the support of the Arab Street, Iran ensures Arab governments cannot easily isolate or attack it publicly without suffering consequences domestically, strengthening Iran's regional position.⁵² Instead, Saudi Arabia tried to curb Iran's increasing regional position by exhorting the USA *privately* to "cut off the head of the snake;"⁵³ such statements only became public due to wikileaks.

Furthermore, as with domestic legitimacy, appearances are more important than tangible support. During the 1980s, Iran was satisfied with using rhetoric to increase legitimacy. Delegation began in the 1990s not because Iran could gain more international legitimacy, but because its international legitimacy was jeopardised by the Oslo Accords. If a Palestinian-Israeli peace process is successful, the Arab public would be much less antagonistic towards Israel and, thus, more receptive to its allegations against Iran. This would decrease their governments' inhibitions about isolating Iran, reducing Iran's possibilities for inter-state cooperation. Thus, delegating to Hamas was about projecting power to stop the peace process so that Iran could continue to reap benefits from rhetoric in use prior to delegation.

The Egyptian revolution, in bringing to power a government that seems less antagonistic towards Iran, appeared to decrease Iran's need to increase its Arab Street popularity and, by association, its dependence on supporting Hamas. Policy cooperation, where possible, with a government is preferable to the indirect advantages of street credibility. The two major events which highlighted the possibilities of a *détente* were firstly, two Iranian military ships being given permission by the Egyptian military to use the Suez Canal.⁵⁴ Secondly, increasing public statements in favour of Egyptian-Iranian relations have been made, starting in March as Egypt's acting foreign minister, Nabil al-Arabi, announced that

⁵¹ Paul Aarts and Joris van Duijne, "Saudi Arabia after U.S.-Iranian *Détente*: Left in the Lurch?," *Middle East Policy* 16, no. 3 (2009): 70.

⁵² Abram and Singh, "Spoilers," 72.

⁵³ "US embassy cables: Saudi king urges strike on Iran," *Guardian*, November 28 2010, <http://www.guardian.co.uk/world/us-embassy-cables-documents/150519>.

⁵⁴ Ian Black, "The two swift changes in foreign policy that signal a new Egypt," *Guardian* May 20 2011, <http://www.guardian.co.uk/world/2011/may/20/foreign-policy-changes-new-egypt?INTCMP=SRCH>.

relations between the two countries would eventually and inevitably normalise.⁵⁵ In September, Majed Abdel-Aziz, Egypt's United Nations envoy also stated that "establishment of Tehran-Cairo ties is a necessity."⁵⁶ While Egypt is unlikely to do anything that risks its relationship with the USA, as evidenced by the army's intervention in the attack by protestors on the Israeli embassy on the September 10, 2011, a détente with Iran was apparent.⁵⁷ Therefore, cooperation seemed possible. With this change in fortunes, it was not Iran, but Israel that seemed increasingly isolated in the region.⁵⁸ However, Saudi Arabian pressure on Egypt appears to have slowed down the rate of progress significantly.⁵⁹

Thus, while a successful peace process would change Israel's fortunes, it would not necessarily be at Iran's cost. As Parsi suggests, "Only when combined with the Israeli-American effort to isolate Iran - depict it as a threat and exclude it from regional decision-making - did peace make Tehran nervous."⁶⁰ With this strategy undermined in the wake of the Arab spring by the not so unified moderate Arab bloc breaking up further, opposition to the peace process becomes worthless. Credibility on the Arab Street is no longer needed or can be used to prevent certain Arab governments from acting against Iran's interests.

This has happened before. Iran through Hamas should have been very active during Camp David II in 2000, which was aimed at reaching agreement on the final status issues of the Oslo Accords. However, this was at a time when Khatami was Iran's president and relations with other Arab countries and the USA were improving.⁶¹ There was little need to court the Arab Street because their governments were already cooperating. Therefore, developments in the Israeli-Palestinian struggle did not appear as strategically threatening

⁵⁵ Ibid.

⁵⁶ "Iran is most important neighbor of Arabs: Egypt's UN envoy," *Islamic Republic News Agency*, September 30 2011, <http://www.irna.ir/ENNewsShow.aspx?NID=30587713>.

⁵⁷ ———, "The two swift changes in foreign policy that signal a new Egypt," *Guardian*; Harriet Sherwood, "Egypt declares state of alert after Israeli embassy broken into," *The Guardian*, September 10 2011, <http://www.guardian.co.uk/world/2011/sep/10/egypt-israeli-embassy-broken-into?intcmp=239>.

⁵⁸ James Hider, "Israel isolation grows as ambassador thrown out over blockade ship raid" *Times* September 3 2011.

⁵⁹ Parsons, "Palestine through the Arab Spring," 24.

⁶⁰ Parsi, *Treacherous Alliance*: 175.

⁶¹ See p.14-15 for detail on short-lived improvement in relations.

to Iran. In consequence, despite Israeli complaints to the contrary, Iran did not deliberately act to undermine the talks tangibly. Iran's opposition was limited to rhetoric.⁶²

Iran's lack of interest in the relationship with Hamas continued and intensified after the outbreak of the al-Aqsa Intifada. With the death of the peace process, Iran's need for Hamas' expertise waned, because the danger of peace unifying the Arab states around Israel and its intention to contain Iran all but disappeared. Furthermore, Iran's agent base diversified with the creation of Fatah's al-Aqsa Martyrs' Brigades. In interviews with European diplomats, Parsi learns that during this time Hamas representatives expressed bitter disappointment at the lack of support from Iran. As one joke illustrates, even the Iranian public was aware of their government's lack of commitment to the cause: "Why aren't there any stones left to stone the adulteresses? Per the order of the Supreme Leader, all the stones have been shipped to Palestine as Iran's contribution to the Intifada."⁶³ The amount of money and more constructive weapons, such as guns, being sent was inadequate.

Returning to 2011 and the Arab spring, other forces unleashed neutralised the impact of Egypt's détente on Iran's isolation in the region. Many GCC countries, including Bahrain, Saudi Arabia and Yemen, faced uprisings during the Arab spring (Bahrain's was the most serious). This is important because delegating to Hamas is only worthwhile while authoritarian governments, such as Saudi Arabia retain interest in legitimate authority as well as power. Otherwise, Arab Street credibility is worthless for Iran in controlling their governments' policy decisions. Although Bahrain appears to have forsaken domestic legitimacy for total repressive force, the more important regime in Saudi Arabia still retains some domestic legitimacy and the combined promise of reforms and repression quelled protests before they became significant. However, Saudi Arabia has a vested interest in the result of the Bahraini protests because the majority Shia population is controlled by a Sunni regime.

⁶² Parsi, *Treacherous Alliance*: 220.

⁶³ *Ibid.*, 221-22.

Although retaining some street credibility (which has been significantly damaged by its support of the Syrian regime) is useful for Iran, there are negative consequences that derive from that legitimacy. The next best alternative to delegation, indeed the preferred option, is cooperation with regional countries, particularly Saudi Arabia given its size and influence. Were cooperation reliable, delegation would be unnecessary as Iran's interests would be achieved without the need for popularity on the Arab Street. However, generally wary of Iran's desire to export the revolution to their Shia populations, Saudi Arabia and Bahrain are even more vehemently opposed to Iran since the Arab spring.⁶⁴ Both countries are using Iran as a scapegoat, blaming the uprising on it and suggesting that Iran has been "violating the sovereignty"⁶⁵ of its Arab neighbours by instigating the protests. It is this belief that prompted Saudi Arabia's 2011 military intervention in Bahrain.⁶⁶ Bahrain went so far as to cut all diplomatic ties with Tehran. Indeed, Iran was not silent; both Ahmadinejad and the *Majlis* claim they would not tolerate mass bloodshed whether from Bahraini or Saudi officials.⁶⁷ However, according to USA documents released by wikileaks and the Obama administration's public statements, Iran has taken no tangible action to support the unrest in Bahrain.⁶⁸

The increased tension in Iran's relationship with Saudi Arabia and Bahrain had a ripple effect for Iran in cooperating with other GCC countries, such as the United Arab Emirates and Qatar. Saudi Arabia's wealth and size is such that its regional power is much greater than the other GCC countries. Furthermore, Syria is, currently, in no position to act as an Arab counter-balance to Saudi Arabian influence. Thus, Saudi Arabia is, more so than usual, able to dominate the positions of other Gulf States, making it difficult for Iran to maintain good relations with these countries while its relationship with Saudi Arabia remains so tense. In April 2011, the GCC asked "the international community and the Security Council to take the necessary measures to stop flagrant Iranian interference and

⁶⁴ Christin Marschall, *Iran's Persian Gulf policy: From Khomeini to Khatami* (London: RoutledgeCurzon, 2003). 4.

⁶⁵ Rana Foroohar, "The New Tehran-Riyadh Rivalry," *Time International* 2011.

⁶⁶ Madawi Al-Rasheed, "Sectarianism as Counter-Revolution: Saudi Responses to the Arab Spring," *Studies in Ethnicity and Nationalism* 11, no. 3 (2011), 514-515.

⁶⁷ Parchami, "The view from Tehran," 40. The unity of comment by Ahmadinejad and the *Majlis* is significant considering the currently acrimonious relations between the two branches of government.

⁶⁸ *Ibid.*, 45.

provocations aimed at sowing discord and destruction...[and] categorically rejects all foreign interference in its affairs... and invites the Iranian regime to stop its provocations.”⁶⁹ As cooperation with the GCC became less possible, the benefits of delegation to Hamas increased.

Nevertheless, although the Arab spring accelerated the deterioration of Saudi-Iranian relations, this process began before 2011. The 2006 Hezbollah-Israeli war, the Hamas-Fatah armed conflict in 2007, and the Sunni-Shia conflict in Iraq were all influenced by Iran in some way, shape or form, despite being Arab issues. This is a significant concern for Saudi Arabia as it perceives its rivalry with Iran for regional influence in zero-sum terms.⁷⁰ In keeping with this zero-sum perspective, Saudi Arabia also saw Obama’s engagement attempts with Iran as a threat to its own relationship with the USA.⁷¹ It, therefore, has an interest in ensuring the USA and Iran do not have a *détente*. Thus, the only reversal in Iran’s strategic position is the *détente* with Egypt. In consequence, it is possible to say that Iran’s Arab opportunities have improved slightly post-Arab spring despite the deteriorating relationship between it and Saudi Arabia. Its relations with other GCC countries are also unlikely to deteriorate too far as Qatar and the UAE will not welcome Saudi dominance for long.⁷² Therefore, the derivation of international legitimacy from supporting Hamas is, if anything, slightly less important than it was (see table 2).

7.2 Costs of delegation

As table 2 demonstrates, in the 1980s and early 2000s costs of delegation for Iran outweighed the benefits. Maintaining control is a crucial component of a PA relationship. Yet, even with Hezbollah, which shares Iran’s ideological convictions and was nurtured by Iran upon its founding, “it is best to conceive of Iran as exerting *influence* over its Shi’ite allies, but not control.”⁷³ If absolute control is impossible in managing its closest and most

⁶⁹ Khaleej Times, April 18 2011, as cited in Kamrava, "The Arab Spring and the Saudi-Led Counterrevolution," 98.

⁷⁰ See p.99-100 for detail on the 2006 Israel-Hezbollah war and Saudi Arabia.

⁷¹ Aarts and van Duijne, "Saudi Arabia after U.S.-Iranian *Détente*," 68.

⁷² Kamrava, "Saudi-Led Counterrevolution," 104.

⁷³ Wehrey et al., *Dangerous but not omnipotent*. xix; Blanford, *Warriors of God*: 35.

trusted VNS agent, then Iran's control over Hamas must be even weaker. This means external events have a much greater impact on the strength of the relationship as they affect the contrasting preferences of Hamas and Iran and, therefore, the amount of slack that occurs. External events also impact on how much benefit Iran receives from the relationship, affecting Iran's tolerance for the costs that arise. It is the external events that happened during the 1990s (Oslo Accords), in 2006 (Hamas' win in the Palestinian elections) and 2011 (Arab spring) that decreased the costs in relation to the benefits (see table 2). There are two major categories of cost: adverse selection and slippage.

Adverse Selection

Iran did not face major adverse selection problems when it delegated to Hamas.⁷⁴ The IRI learned early on to employ a number of mechanisms to avoid such costs. In Lebanon, Iran chose not to contract with the already existing Shia Amal organisation in the 1980s. This organisation, while catering to the same audience as Iran (the Lebanese Shia), was a secular organisation and, thus, differed from Iran's ideological preferences. Yet, at the time, religious ideology was the principal reason for delegating to a VNS in Lebanon.⁷⁵ Amal, as a secular organisation, was not a suitable entity to spread Iran's revolutionary ideals.⁷⁶ Thus, Iran chose to help establish Hezbollah to further its religious interests in the region, despite the expensive start-up costs involved.⁷⁷

Iran's delegation to Hamas shows superficial parallels to Iran's experience with Amal and Hezbollah. The IRI's relationship with Fatah deteriorated in the 1980s as the secular organisation refused to embrace Islamic justifications for fighting Israel and maintained its support, through the PLO, for Iraq during the Iran-Iraq war.⁷⁸ A wise choice for Fatah given the amount of financial support Iraq provided. Instead, in the 1990s, Iran chose to develop a relationship with Hamas, an Islamic organisation.

⁷⁴ See p.19 for a definition of adverse selection.

⁷⁵ Byman and Kreps, "Agents of destruction?," 5; Byman, *Deadly connections*: 27.

⁷⁶ Blanford, *Warriors of God*: 35.

⁷⁷ Byman and Kreps, "Agents of destruction?," 5.

⁷⁸ Parsi, *Treacherous Alliance*: 84-85.

However, unlike in Lebanon, Hamas was not a perfect ideological match for the IRI, despite being Islamic, as it was Sunni and not Shia. Based on the traditional Sunni-Shia divide, they should have been adversaries, though Khomeini's revolutionary ideology was more pan-Islamic than exclusivist Shia.⁷⁹ This did not matter so much with the Palestinians because exporting the revolution was only a minimal consideration against the overriding concern with disrupting the peace process in the early 1990s.⁸⁰ Hamas proved its willingness and capability to do just that during the preceding Intifada. The expulsion of 360 Hamas leaders to Lebanon in 1992 gave the two actors the opportunity to network through the offices of Hezbollah.⁸¹ Hamas shared Iran's strategic preference for the failure of the peace process and, in contrast to Syria's experience with Abu Nidal, Hamas also demonstrated a desire to avoid antagonising Western and Arab countries, either through rhetoric or terrorist actions, focusing solely on its battle with Israel.⁸² Such preferences are beneficial to Iran as, despite rhetoric, it does not want the conflict to escalate beyond its current level.

After the peace process collapsed in 2000, Iran began supporting the secular organisations as well. During the al-Aqsa Intifada, it was in Fatah's interests to receive Iranian resources, and, thus, Iran began using them too as the Karine A incident suggested.⁸³ The gradual nature of Iran's diversification of agents suggests the existence of a selection process designed to minimise the costs of adverse selection. When strategic preferences align, Iran will work with any actor, no matter how bitter previous relations or divergent their ideologies.⁸⁴

⁷⁹ Blanford, *Warriors of God*: 34.

⁸⁰ See p.44-45 for why Iran needed to disrupt the peace-process.

⁸¹ Gunning, *Hamas in politics*: 45.

⁸² Hroub, *Hamas: Political thought and practice*: 64. See Chapter 2.2 for more on Syria's experience with Abu Nidal.

⁸³ See chapter seven footnote 25 for detail on the Karine A affair.

⁸⁴ Support even extended to the Tajik Mujahedin which controlled Kabul, Afghanistan (1992-1996) in the mid-1990s despite the massacre of Hazari Shia Muslims in 1993 by forces led by Ahmad Shah Masud, the Mujahedin's military commander. Support was provided because only by backing all non-Pashtun groups could Iran hope to prevent the Pashtun dominated Sunni Taliban, and its Saudi and Pakistani state-supporters, from taking control of Afghanistan. This strategy, obviously failed. Ahmed Rashid, *Taliban: The power of militant Islam in Afghanistan and beyond* (London: I.B.Tauris & Co Ltd, 2010). 21, 200.

Nevertheless, ideology and history still play important roles in the effectiveness of delegation. The road to a PA relationship with Hamas was not smooth. Iran also had a number of other organisations it could choose to delegate to in Palestine. The PIJ was both ideologically closer in that it believed in the concept of *vilāyat-i faqīh* (despite also being Sunni) and was less mistrusted than Hamas. The PIJ was ideologically closer because it was the only Sunni group to endorse the concept of *vilāyat-i faqīh* at the heart of the Islamic Republic's ideology.⁸⁵ Mistrust of Hamas arose from the MB's support for Iraq during the Iran-Iraq war.⁸⁶ Thus, a strong relationship more quickly and easily developed between Iran and the PIJ. Support for Hamas only surpassed the PIJ once it became clear Hamas was more capable of satisfying Iran's interests in Palestine-Israel, particularly after 2006. Again, the fact that Iran funded PIJ prior to Hamas and that the relative level of support changed in later years suggests a selection process based not just on ideology, but also on pragmatism.

Agency Slack: Shirking and Slippage

For much of Iran and Hamas' history, the latter had wide autonomous range. This wide range provides Hamas with the opportunity to shirk and shift policy away from Iran's preferences (slippage). In the mid-1990s when the internal leadership was trying to appease the PNA, Hamas tended to be more risk averse than Iran. In consequence, shirking in the form of not taking enough action against Israel to disrupt the peace process was a significant possibility. This was mitigated to an extent by the internal divisions within Hamas which led the Qassam Brigades to act against the will of the internal leadership.⁸⁷

Hamas also uses some of the resources and training provided by Iran to advance its own interests instead of those of its patron. Often militant actions, such as the capture of an Israeli soldier like Gilad Shalit in 2006 or the 2003 threat to end the *hudnah*, are accompanied by demands for the release of Palestinian prisoners in Israeli jails.⁸⁸ Demands

⁸⁵ Shay, *The axis of evil*: 76.

⁸⁶ Parsi, *Treacherous Alliance*:175.

⁸⁷ See p.124 for information on this episode.

⁸⁸ Steven Erlanger, "Tensions rise after Israeli is kidnapped," *New York Times*, June 26 2006, <http://www.nytimes.com/2006/06/26/world/middleeast/26cnd-mideast.html>; "Hamas warns on Mid-East truce," *BBC News*, July 9 2003, http://news.bbc.co.uk/2/hi/middle_east/3053909.stm.

for the release of prisoners do not directly affect Iran's interests. However, such actions use up the resources provided by Iran which could be used to more directly advance Iran's interests.⁸⁹ As Hamas is not just a VNS, funds also get diverted to other areas of responsibility including social welfare and, after 2006, governmental programmes.⁹⁰ Some of the time Iran will have ear-marked funding for these areas to increase its popular support, but not all the time. So far, the negative consequences of this shirking have been limited to the drain on resources (although, the Gilad Shalit kidnapping might have contributed to Israel's extreme response to Hezbollah's kidnapping operation a few months later).⁹¹

Slippage was most pronounced in the early 2000s when Iran's inter-state relations were strong, and after the Arab spring in 2011, when Iran's and Hamas' interests in Syria diverged (see table 2). The al-Aqsa Intifada increased competition among Palestinian VNSs for support from the radicalised population, leading to an increase in the number of suicide bombings.⁹² Forty-four percent of the suicide bombings during the al-Aqsa Intifada were claimed by Hamas.⁹³ However, this radicalisation occurred at the same time as possibilities for Iran of cooperating with other states (Arab and USA) were at a zenith and required a reduction in violence from Iranian agents.⁹⁴ There was, thus, a divergence in preferences between Iran and Hamas that led to an increase in slippage.

Slippage also increased after the Arab spring because the convergence of preferences which occurred between Iran and Hamas after the 2006 Palestinian elections began to wane.⁹⁵ The divergence of preferences was a consequence of Iran's need for Hamas to publicly

⁸⁹ Shay, *The axis of evil*: 252.

⁹⁰ Joseph Braude, "Let Hamas turn to Iran: Aid and a bet," *New Republic* 234, no. 5 (2006), 17. See section 6.2 for detail on Hamas' social welfare and governmental branches.

⁹¹ The kidnapping provided the pretext for Israel to attack Lebanon with the intent of destroying Hezbollah. It did not succeed in that aim.

⁹² Crenshaw, "Pathways out of terrorism," 6; Araj and Brym, "Opportunity, culture, and agency," 845.

⁹³ ———, "Opportunity, culture, and agency," 850.

⁹⁴ See p.14-15 for more on Iranian-USA cooperation during the early 2000s. When the Karine A incident occurred and appeared to demonstrate Iran was unwilling to cooperate, it was included in the 'Axis of Evil' speech – see p.96.

⁹⁵ See section 7.1 for more on why Iran and Hamas' preferences converged in the mid-2000s. See Section 8 p.120 for why sanctioning power increased after the 2006 elections.

demonstrate support for al-Assad.⁹⁶ In contrast, Hamas, as a popular resistance movement, needed to show solidarity with the Syrian people.⁹⁷ This was exacerbated by the simultaneous waning of Iran's sanctioning power due to Hamas' increasing permeability in respect to Egypt, Jordan and Turkey.⁹⁸

Iran uses all the tools described in chapter two (monitoring, checks and balances, as well as sanctioning) to limit Hamas' slack. Sanctioning was used extensively in the 1990s as there were financial rewards and repercussions for successful and failed attacks respectively. In 2011, Iran withdrew funding for Hamas' disobedience regarding its response to the Syrian uprising. Initially, Hamas tepidly supported al-Assad in a public statement on April 2, "reaffirm[ing] our standing beside brotherly Syria, beside both its leadership and its people."⁹⁹ However, since then Hamas has refused to publicly demonstrate support for the Syrian government and closed its offices in Damascus.¹⁰⁰ In 2012, Haniyeh even publicly declared support for the Syrian people against the regime.¹⁰¹ Iran has only begun funding again, according to Fatah sources, to entice Hamas to back out of a Palestinian Unity Deal.¹⁰²

For sanctioning to be effective, Iran must determine its necessity through monitoring Hamas. Although Iran uses police patrols extensively to monitor Hezbollah, with Hamas, monitoring will largely be fire alarms in the form of third party and media reporting.¹⁰³ Hezbollah and the PIJ are the main parties Iran can use to monitor Hamas; both have reasons and capability. Hezbollah's tight relationship with Iran and ideological

⁹⁶ See p.99 for why.

⁹⁷ Again, see p.121 for why.

⁹⁸ See Chapter 2.3 for more on why permeability decreases principal sanctioning power.

⁹⁹ Reuters, "Syria protests must not compromise stand against Israel, says Hamas," *Haaretz*, April 3 2011, <http://www.haaretz.com/news/diplomacy-defense/syria-protests-must-not-compromise-stand-against-israel-says-hamas-1.353760>.

¹⁰⁰ "Iran said to have cut funding to Hamas as group fails to show pro-Assad front," *Middle East Reporter* ; DPA, "Final member of Damascus-based Hamas politburo leaves Syria," *Haaretz*, February 5 2012, <http://www.haaretz.com/news/middle-east/final-member-of-damascus-based-hamas-politburo-leaves-syria-1.411226>; *Telegraph Blog*; "The end of the affair between Hamas and Iran", blog entry by Michael Weiss, January 17 2012, <http://blogs.telegraph.co.uk/news/michaelweiss/100130480/the-end-of-the-affair-between-hamas-and-iran/>.

¹⁰¹ Associated Press, "Hamas prime minister backs Syrian protests against Assad," *Guardian*, February 24 2012, <http://www.guardian.co.uk/world/2012/feb/24/hamas-pm-backs-syrian-protests/print>.

¹⁰² Reuters, "Iran paid Hamas to block Palestinian unity deal," *Haaretz*.

¹⁰³ See p.24-25 for definitions of these two concepts.

compatibility suggest that it would be a matter of course for it to report slack by Hamas. The PIJ, another Palestinian VNS, is in direct competition with Hamas for popular support and Iranian funding. Thus, if Hamas is slacking, the PIJ has strong motivations for telling Iran since it means some of the funding intended for Hamas might be redirected to it. For instance, in 2011, the PIJ began launching rockets into Israel. Hamas tried to stop it from doing so due to the ceasefire with Israel which the PIJ previously abided by; however, such action against rocket launching was relayed back to Iran.¹⁰⁴

Using these actors eliminates the extra economic costs incurred from distance and paying officials' salaries. It also avoids the risk to plausible deniability that is incurred from police patrols.¹⁰⁵ Iran understands these costs well, given its intensive monitoring of Hezbollah in the past.¹⁰⁶ Such intensive monitoring enabled Iran to ensure it only funded activities that were in its interests, making the expense worthwhile.¹⁰⁷ However, the investment Iran made in Hamas is not as great as it is for Hezbollah, so the costs of slack are less important and the threat of sanctions less effective, hence the cost of police patrolling Hamas is proportionately greater. In consequence, so long as slack remains minimal and Hamas' known actions are good for Iran's interests, the costs of reducing slack via police patrols outweigh the cost of ongoing slack. However, Hamas can act with impunity outside of the areas captured by the media, Hezbollah and PIJ. The reliance on fire alarms instead of police patrols means that Hamas does not need to use buffering techniques in order to hide slack.¹⁰⁸

Checks and balances are related to Iran's third party monitoring. Like Syria in the 1970s, Iran does not rely on just one VNS.¹⁰⁹ By delegating to multiple organisations, Iran forces them to compete for funding. In theory, this should minimise slack as it would jeopardise the organisation's share of the funding. Thus, contracting with multiple agencies makes

¹⁰⁴ Weiss, "The end of the affair"; Mohammed Najib, "Iran 'using PIJ attacks on Israel to force Hamas' hand on Assad," *Jane's Defence Weekly* 48, no. 32 (2011); "Gaza: The next Israeli-Palestinian war?," in *Middle East Briefing* (Gaza City: International Crisis Group, 2011), 3-4.

¹⁰⁵ Mishal and Sela, *The Palestinian Hamas*: 65.

¹⁰⁶ See p.24

¹⁰⁷ Byman and Kreps, "Agents of destruction?," 10.

¹⁰⁸ See p.31

¹⁰⁹ See p.24 for more on Syria's delegation.

sanctioning a credible threat. According to Najib, Iran tried to use this strategy to coerce Hamas to support al-Assad in 2011. Apparently a Hamas official accused Iran of using PIJ to launch rocket attacks on Israel. This risks Israeli retaliation against Hamas for not stopping the attacks as it holds the organisation responsible for all actions within the Gaza Strip, a role reversal from the 1990s when it was Hamas launching rockets into Israel and the PLO which was held responsible. Najib's source suggests that Iran will not put a stop to PIJ's actions unless Hamas agrees to publicly support the Syrian government.¹¹⁰ If true, this strategy was as unsuccessful as economic sanctioning.

On occasion, this strategy backfires. Contracting with multiple agents to check and balance the others allows them to free-ride on each other.¹¹¹ In 2003, despite Iranian pressure, all the Palestinian VNSs agreed to a *hudnah* (that did not last long) with Israel.¹¹² Iran was forced to accept the new situation because all the organisations chose to diverge from Iran's preferences and, thus, sanctioning would have had limited effect.¹¹³

A future check and balance Iran will possess is nuclear weapons. This check and balance has less to do with decreasing Hamas' autonomy, and more to do with manipulating the potential action of other states should they take exception to Iran's delegation. Slack by Hamas is most dangerous when it increases the potential for conflict escalation with Israel. Once Iran becomes nuclear weapons capable, this becomes much less likely by virtue of the increased consequences for Israel in taking the conflict to a new level. According to Rubin, a nuclear weapon will allow Iran to retain Hamas for legitimacy on the Arab Street and power projection, even in the face of slack. This is because the threat of conflict escalation due to radical Hamas action will become almost non-existent, reducing the need for plausible deniability.¹¹⁴

¹¹⁰ Najib, "Iran 'using PIJ attacks."

¹¹¹ Bendor, Glazer, and Hammond, "Theories of delegation," 245.

¹¹² "Hamas warns on Mid-East truce," *BBC News*. Gunning suggests an alternative scenario for events, actually suggesting that Iran was being cautious in 2003 and waiting to see how the Iraq War went for the USA before committing to any course of action. Thus, the external Hamas leadership was more supportive of a *hudnah* than the internal leadership due to Iranian (and other regional pressure) to commit to it. Gunning, *Hamas in politics*: 227.

¹¹³ Shay, *The axis of evil*: 254.

¹¹⁴ Rubin, "Israel is not about to attack Iran".

External circumstances and Hamas' own stratagems are more important determinants of Hamas' slack than Iran's control mechanisms. After the 2006 elections, Iran's sanctioning power increased due to the reduction of support for Hamas from other Arab states which adhered to the West's policy of isolating the Hamas government.¹¹⁵ Furthermore, lack of slack post-2006 was probably more a reflection of Iran's preferences, rather than weakening Hamas' popular support. In fact, Iran's funding enabled Hamas to fulfil some of its governing responsibilities which were constrained by the international embargo.¹¹⁶ This holds true for the 1990s when Iran's control was at its weakest. However, had the slight increase in permeability post-Arab spring not occurred, it is possible Hamas' response to the Syrian uprising would have been much more favourable for Iran and Syria, due to the existential threat sanctioning would have posed.¹¹⁷

7.3 Conclusion

The research questions asked what are the benefits and costs for Iran from the relationship, how their relative importance changed and why they changed over time? Benefits arise from Hamas' expertise, credible commitments, legitimacy and plausible deniability. Benefits for Iran only developed in the 1990s when Israel's own rhetoric turned belligerent at the end of the Cold War and Gulf war, and the signing of the 1993 Oslo Accords created a need to project power into the Levant which Hamas' expertise enabled it to do (see table 2). However, by 2000, it was clear that the peace process would not succeed and Iran's reliance on the relationship declined. Furthermore, Iran's need for regional public legitimacy provided by support of Hamas declined as regional governments and the USA began to cooperate with it. Nevertheless, the security of being able to credibly commit to retaliation against an Israeli attack remained a concern as the new cooperation was by no means secure. Plausible deniability became a vital concern during the 2000s as evidence of action against Israel would compromise its new relationship with the USA, as happened in the Karine A incident.

¹¹⁵ Hroub, *Hamas: A beginner's guide*: 157.

¹¹⁶ *Ibid.*, 159.

¹¹⁷ See section 8.2 for more detail

Iran's investment in the relationship was not only determined by the benefits, but also by the cost level. Adverse selection, so high during the 1980s, is now non-existent due to a careful screening and selection process. However, the level of slack changes relatively frequently. It was at its lowest during the 1990s when, for the most part, Hamas and Iran shared a similar desire to see the end of the peace process and post-2006 election when sanctioning was credible. In the early 2000s, the preference divergence between the two actors, due to the increased potential for regional cooperation between states, led to a decrease in the IRI's overall support. Slack, at this time, was less tolerable as it endangered inter-state cooperation.

The Arab spring also led to an increase in slack occurring due to the alteration in demands made by Iran, the consequent divergence of preferences between Iran and Hamas, and the decreasing credibility of sanctioning (see table 2).¹¹⁸ Furthermore, relationship benefits also initially declined, decreasing Iran's tolerance for slack and overall interest in the relationship. The change in benefit level is a consequence of a decrease in the need for Arab public support and power projection to disrupt the Israel/Palestinian peace process, because the potential for cooperation with Egypt increased. However, this trend was counteracted first by a rise in the need to improve Syria's domestic legitimacy (see table 2) and Saudi pressure on Egypt which diminished potential for further warming. The next chapter will look at this history from Hamas' perspective.

¹¹⁸ See section 8.2 for reasons why sanctioning became less powerful

8 Hamas: The Costs and Benefits of Contracting with Iran

It is also important to understand the perspective of the second actor in the dyad, Hamas, as its role in the relationship is significantly different. In order to achieve its aims, Hamas has three basic alternatives: diplomacy, militancy, or peaceful resistance (such as non-violent street demonstrations or ‘bureaucratic resistance’).¹ In contrast to the PLO, Hamas refuses to renounce violence, justifying its stance through the failure of the PLO to achieve its aims and the success of Hezbollah’s militancy in forcing the Israeli withdrawal from southern Lebanon in 2000.² Having chosen to include violence in its methods of resistance, there are a number of benefits Hamas gains from the relationship. These benefits must be substantial, because there are also significant costs incurred as demonstrated in table 3. Furthermore, there is limited ideological compatibility to explain the relationship in the absence of such benefits given the Sunni-Arab/Shia-Persian divide and their different conceptions of an Islamic Republic.

Table 3: Hamas’ benefits and costs (criteria identified by Salehyan, 2010)

Hamas Preferences										
<u>Phase</u>		<u>Benefits</u>				<u>Costs</u>				
		Funding	Training	Shelter	Average	State Control	Internal Division	Community desensitization	Uncertainty	Average
I	1979-1989	1	1	0	0.7	1	1	0	1	0.8
II	1990-1999	1	3	0	1.3	0	3	0	0	0.8
III	2000-2005	2	3	0	1.7	1	2	0	1	1
IV	2006-2009	3	3	0	2	3	1	0	2	1.5
V	2010-2011	2.5	3	0	1.8	2.5	2	0	3	1.9

¹ See p.31-32 for bureaucratic resistance.

² Gunning, *Hamas in politics*: 52; Robinson, "Hamas as social movement," 125.

Returning to the research questions, just as the last chapter looked at the costs and benefits of the relationship for Iran and how and why they have changed, this chapter will look at what the relationship's benefits and costs are for Hamas and how and why they have changed over time. This chapter begins with an examination of the cost-benefit table which is, gradually, explained as the chapter progresses. Section 8.1 looks into the different benefits which, for VNSs, include anything and everything from funding to shelter. Section 8.2 looks into the costs which are based on Iran's attempts to control the organisation, as highlighted in the previous chapter.

8.1 Benefits of the relationship

Hamas contracts with Iran because the movement needs to reduce the power differential between it, Israel, the PLO and PA which receive financial backing from the international community. Funding also enables it to compensate members for action without which members will defect.³ Without state support, Hamas is much more vulnerable to the counter-terrorist measures used by Israel.⁴ Its importance is demonstrated by the Political Bureau's ability to influence decision-making, irrespective of its formal subordination to the Shura Council, because it is, generally, the members of the Political Bureau who negotiate funding with international actors.⁵ According to Byman, the type of support Hamas gets from Iran includes training and operations, money, arms, logistics and diplomatic backing.⁶ Of these, the most important are training and funding in terms of money and arms received.

Initially, Iran's support was not crucial, although welcomed, because less than ten percent of Hamas' budget comprised Iranian funding in the late 1980s.⁷ However, funding from Saudi Arabia was reduced after 2003 due to a series of domestic terror incidents that increased its wariness and massive USA pressure after the September 11, 2001 attacks. This contributed to Hamas' change in strategy highlighted by its participation in the 2006

³ Carter, "A Blessing or a Curse?," 5-6.

⁴ Byman, *Deadly connections*: 5.

⁵ Mishal and Sela, *The Palestinian Hamas*: 162.

⁶ Byman, *Deadly connections*: 55.

⁷ McGeough, *Kill Khalid*: 366.

legislative elections.⁸ After it won the elections, funding from the Gulf disappeared altogether as the countries acceded to Israeli and American economic sanctions. Fortunately, it was able to make up this shortfall with an increase in Iranian funding.⁹ There was a public pledge in January 2006 by Iran for \$250 million and Israel estimates around \$15 million a month was transferred to Hamas subsequent to the Mecca agreement in 2007. According to Israel and the USA, this money has been utilised by the Qassam Brigades and not for governance costs, although this charge is strenuously denied.¹⁰

Training developed after 1992 when 360 local Hamas leaders were expelled to Lebanon from Gaza. This presented an opportunity for Hamas and Hezbollah to build a relationship, leading to Hamas' use of suicide bombs in 1994 and increasing professionalism within the Qassam Brigades. This development was assisted by the warming relations between Iran and Hamas given Iran's influence over Hezbollah.¹¹ The IRGC was deployed in Lebanon at the time of Hamas' exile and helped to train soldiers.¹² Fighters are also trained in Syria and a few were even sent to Tehran to learn about field tactics and weapons technology from the IRGC.¹³

Although a safe-haven is considered the most important resource an external state can provide, it is not a major benefit of Hamas' Iranian relationship.¹⁴ It does have a leadership (primarily in the Political Bureau) living outside the OPT. Thus, Hamas has needed to foster relations with certain states if only to make sure the leadership will continue to be welcomed in their country. This was the case with Jordan prior to 1999 and Syria from 1991 to 2011.¹⁵ It is not the case in its relationship with Iran; its distance from the Levant makes Iran an inconvenient place to operate out of.

⁸ "Hamas secures more Iranian funding," *Aljazeera*, March 8, 2007, <http://english.aljazeera.net/news/middleeast/2007/03/2008525122240439340.html>.

⁹ Hroub suggests that Hamas' reliance on external sources is not great as is demonstrated by Hamas' collection drive in the OPT for the Qassam Brigades on April 9th 2004 Hroub, *Hamas: A beginner's guide*: 70.

¹⁰ McGeough, *Kill Khalid*: 366.

¹¹ Gunning, *Hamas in politics*: 47.

¹² Shay, *The axis of evil*: 32.

¹³ Colvin, "Hamas wages Iran's proxy war on Israel: A Hamas leader admits hundreds of his fighters have travelled to Tehran" *Sunday Times*.

¹⁴ Carter, "A Blessing or a Curse?," 6.

¹⁵ *Ibid.*, 14.

8.2 Problems with the relationship

Funding and training do not come free. Costs include principal attempts to control the organisation, the creation of divisions within the organisation, principal unreliability, and desensitisation from the Palestinian population. The significance of these costs has increased over time, as demonstrated in table 3. For Hamas, costs and benefits are inextricably intertwined; as the benefits increase, so too does the overall cost. The main reason for this is that should benefits become concentrated in a single principal, the VNS becomes vulnerable to the problems of state control and uncertainty. Thus, as Hamas' need for funding from Iran became ever stronger after 2001, the costs associated with that dependency also grew. Therefore, unlike the principal, when the costs become great, abandonment is not an option. The causal link between the two costs and the benefits precludes such a possibility. Instead, the agent must seek new sources to minimise the costs whilst maintaining the relationship or reassess its position regarding the next best alternative to violent resistance (see below for more on this possibility).

Hamas tries to avoid the appearance of dependability on any one state by maintaining a balance of states, permeability.¹⁶ This is particularly important for Palestinian resistance organisations due to the influence of the concept of the 'independent Palestinian decision' developed in the 1970s.¹⁷ The relationship with Iran is, thus, "based on mutual respect, the alignment of positions, and political and strategic perspectives on the settlement, without anyone dictating to anyone else."¹⁸ During the 1990s, Hamas was very successful at this. An example commonly cited is the Jerusalem Day celebrations during the time Hamas and PIJ leaders were exiled in Lebanon. Hamas supporters convinced the PIJ to avoid mimicking Iran by only writing a letter of thanks to Iran for illustrating its solidarity with Palestine, instead of holding extensive observances of the Day.¹⁹

The reason for Hamas' success at maintaining its independence during the 1990s was its large quantity of state sponsors with different reasons for funding than Iran. Jordan, Syria,

¹⁶ Hroub, *Hamas: Political thought and practice*: 179.

¹⁷ See p.28 for an explanation of the 'independent Palestinian decision'.

¹⁸ Nazzal, 1995, as cited in Hroub, *Hamas: Political thought and practice*: 180.

¹⁹ *Ibid.*, 180.

Sudan, Lebanon, Libya, Saudi Arabia, Qatar, Kuwait and Egypt all had relationships with Hamas during this period. With so many principals with divergent preferences, the threat to sanction Hamas was minimal and, therefore, their control was weakened.²⁰ If they all had similar preferences, the chances that they would act in concert to minimise Hamas' independence increases. Syria and Iran have acted in such a manner due to similar strategic interests.²¹

Hamas also interprets and reinterprets Iran's demands. This strategy was particularly successful during the 1990s due to the combination of Hamas' position as the only serious Palestinian challenge to the PLO and its high permeability (in part a consequence of its challenger status). Although its state supporters may have wanted Hamas to take sides, taking the middle-line in the Gulf War between supporting a USA led military action or an Arab invasion of another Arab state was a successful strategy. Hamas provided an alternative to the PLO when its support of Iraq against Kuwait was deemed unsatisfactory, enabling Hamas to increase the number and quantity of state sponsors without alienating its fragile existing support (such as Iran).²²

The situation is markedly different today with Hamas' permeability low and Iran able to fulfil many of its aims via the ideologically preferable Hezbollah and PIJ. After 2006, the new Hamas government became almost solely dependent on Iran for the international aid it needs to keep the PNA functioning. This is more potentially problematic for Hamas precisely because the movement did not succumb to another latent issue with contracting to a state, desensitisation from the Palestinian community. Hamas' leadership was largely born and raised in the OPT and not in the Diaspora. For instance, Haniyeh grew up in Shati refugee camp in Gaza, studied at the Islamic University in Gaza, and continues to live in a lower-class house despite becoming Prime Minister in 2006.²³ Therefore, the leadership understands the concerns of Palestinian civilians in the OPT and is less susceptible to

²⁰ Byman, *Deadly connections*: 144.

²¹ *Ibid.*, 31. Syrian support for Hamas diverges from Iran's in terms of the domestic legitimacy it receives from the relationship and the desire to weaken Israel as a neighbour. However, it shares the Iranian motive for increasing its international legitimacy.

²² See p.30 for more information on the Palestinian organisations' strategies during the Gulf War.

²³ Hroub, *Hamas: A beginner's guide*: 122, 27.

desensitisation in comparison to PLO leaders raised in the Diaspora.²⁴ Secondly, community ties are maintained through an influential leadership inside the OPT, unlike the PLO which was expelled first from the OPT in 1967 and then from the Levant altogether from 1982.²⁵ The PLOs problematic return, expedited through the Oslo peace process, did not fully repair the relationship. Geographic distance made the PLO more dependent upon external state support, such that Palestinian public opinion became not only more difficult to discern but also less important.²⁶ Such prolonged geographic severance was never forced on Hamas; however, perhaps more important, was the legacy of the MB, the network of social services which helped Hamas to develop deep roots within the community.²⁷ In 2006, the relationship between Hamas and the community was fortified by its formalisation in electoral politics, creating a PA relationship.²⁸

Nevertheless, Iran's increasing control after 2006 was not initially a problem. The state's demands, which included breaking the 2007 Mecca agreement, look damaging from an 'independent decision-making' perspective. This is particularly in the context of the 2011 Palestinian protests demanding unity which, among other concerns (including Syria's uprising), led Hamas to sign a reconciliation agreement with Fatah, mediated by Egypt and made possible by Iran's interest in building ties with Egypt.²⁹ However, Iran's demands in the post-election era initially could be married with Hamas' own resistance agenda, neutralising accusations from non-supporters that it was a failure of Palestinian 'independent decision-making'.³⁰ Preferences only diverged after the Arab spring because Iran wanted Hamas to hold demonstrations in support of the Syrian regime. Hamas

²⁴ Araj and Brym, "Opportunity, culture, and agency," 861.

²⁵ Sayigh, *Armed struggle*: 281, 573.

²⁶ Araj and Brym, "Opportunity, culture, and agency," 862.

²⁷ Mishal and Sela, *The Palestinian Hamas*: vii. The Palestinian community is not homogenous and Hamas must balance the competing demands of different sectors of society. For instance, the Islamization that has occurred in Gaza is argued by Sayigh to be a manifestation of Hamas' attempt to balance moderation with Salafist group demands which are creating splinters with the organisation in the form of the Jaljalat network. See p.82 and footnote 41 in chapter 6.2 for information on Jaljalat. Sayigh, *"We Serve the People"*, 5.

²⁸ Voters are a part of the delegation chain as illustrated in figures 2 and 3.

²⁹ Harriet Sherwood and Hazem Balousha, "Gaza and West Bank protests demand end to Palestinian divisions," *The Guardian*, March 15 2011, <http://www.guardian.co.uk/world/2011/mar/15/gaza-west-bank-unity-protests?INTCMP=SRCH>; Parsons, "Palestine through the Arab Spring," 23.

³⁰ Elias Harfoush, "The Palestinians regain their decision," *Al Arabiya*, February 10 2012, <http://english.alarabiya.net/views/2012/02/10/193697.html>; Young, "What has Gaza gained since Hamas won four years ago?," *The National*.

members, according to Waleed al-Modallal, a Gazan academic, “classify themselves as freedom fighters, so they cannot stand with al-Assad against freedom fighters.”³¹

Furthermore, given the importance of the Palestinian population to Hamas, such a blatant rejection of ‘independent Palestinian decision-making’ would be untenable. This is especially so because the Syrian population is predominantly Sunni rebelling against a non-Sunni (*Alawite*) regime. Yet, strategically, Iran needs that government to survive.³²

Hamas tried again to walk a middle-line between these preferences by calling for dialogue between the state and the people.³³ However, this time, the middle-line was unacceptable because sanctions were perceived to be a credible threat given Hamas’ lack of alternatives to make up the shortfall.³⁴ Hamas was also criticised domestically for its lack of ‘independent decision-making,’ especially following the August assault on the Palestinian refugees in Latakia when Hamas’ silence was in stark contrast to the vigorous censure of the PLO.³⁵ Nevertheless, Hamas did not bow to Iranian (and Syrian) pressure despite the consequent cash flow problems; indeed, it recently came out in support of the protestors (after its offices in Syria closed).³⁶

Hamas’ path post-2011 is a product of internal pressure and increasing permeability. Prior to the Arab spring, Hamas was beginning to secure more diverse income sources. The 2010 Freedom Flotilla crisis in which nine Turkish activists were killed led to Turkey’s call for the inclusion of Hamas in the peace process and Israel’s easing of the Gazan siege. Hamas’ diplomatic isolation, thus, decreased.³⁷ This diplomatic thaw is producing

³¹ Stephen Farrell, "New winds in Mideast favour Hamas," *New York Times*, November 22 2011, http://www.nytimes.com/2011/11/23/world/middleeast/hamas-gains-momentum-in-palestinian-rivalry.html?_r=1.

³² Farrell, "New winds in Mideast favour Hamas," *New York Times*. For an explanation as to why Iran wants the government to survive see p.99

³³ Reuters, "Syria protests must not compromise stand against Israel, says Hamas," *Haaretz*. See p.109 for Hamas’ statement.

³⁴ See p.111 for more on Iran’s subsequent actions.

³⁵ Parsons, "Palestine through the Arab Spring," 22. Ramzi Harb, interview by Nigel Parsons, July 2011. Harb is head of Fatah’s training committee and suggested that Fatah deliberately avoided the problem Hamas has now by choosing not to base itself in Syria, despite being invited to in 1982. Thus, Fatah has been able to maintain the *qarar al-watani mustaqila*, ‘independent national decision,’ and Hamas has not.

³⁶ Associated Press, "Hamas prime minister backs Syrian protests against Assad," *Guardian*.

³⁷ Daniel Byman, "How to handle Hamas: The perils of ignoring Gaza’s leadership," *Foreign Affairs* 89, no. 5 (2010); Sayigh, "*We Serve the People*", 5. The Freedom Flotilla crisis occurred in May 2010 when six ships

economic dividends, as one report suggests the Turkish government will begin to fund the reconstruction of Gaza, although questions remain over how far Turkey will take this relationship given its continuing ties to the USA.³⁸ Furthermore, Arab countries, including Saudi Arabia and Egypt, nervous with Iran's closeness to Hamas are beginning to reach out, offering diplomatic and financial support to prevent Iran influencing Hamas too much.³⁹ Such feelers may go as far back as the 2007 Mecca agreement.⁴⁰

Furthermore, the same Arab spring also opened up possibilities with other states, in particular Egypt and Jordan.⁴¹ In Egypt, the interim ruling Supreme Council of the Armed Forces (SCAF) opened the Rafah crossing with Gaza, and Islamists captured 60 percent of the vote in the November 2011 parliamentary elections.⁴² Most of that Islamist vote went to MB-affiliated parties such as the Freedom and Justice Party.⁴³ Considering Hamas' origins within the MB, this is clearly beneficial for the movement, although the Middle East Reporter suggests MB withdrew funding from Hamas in order to support the Arab spring and recent shortages in Gaza are a result of Egyptian authorities cracking down on smuggling under the Rafah border.⁴⁴

A slight rapprochement also occurred with Jordan because the government needs to increase its domestic legitimacy after internal protests related to the Arab spring.⁴⁵ Mishal visited Jordan for the first time in thirteen years and Awn Khasawneh, the Jordanian Prime Minister, declared the expulsion of Hamas in 1999, a "political and constitutional

organised by Turkish NGOs attempted to run the Israeli blockade of Gaza. However, Israeli military commandeered the boats, and in the process, nine activists were killed.

³⁸ Wael Banat, "Sources in Hamas: Turkish support will allow us to relinquish Iranian aid," *Al-Sharq*, January 17 2012, <http://www.alsharq.net.sa/2012/01/17/89200>; Weiss, "The end of the affair between Hamas and Iran".

³⁹ Hroub, *Hamas: A beginner's guide*: 172.

⁴⁰ Tamimi, *Hamas: A history from within*: 261

⁴¹ Stephen Farrell, "Hamas leader takes rare trip to Jordan," *New York Times*, January 29 2012, <http://www.nytimes.com/2012/01/30/world/middleeast/leader-of-hamas-makes-rare-trip-to-jordan.html>.

⁴² Black, "The two swift changes in foreign policy that signal a new Egypt," *Guardian*

⁴³ Associated Press, "Official Egypt election results confirm Islamist victory," *Haaretz*, December 4 2011, <http://www.haaretz.com/news/middle-east/official-egypt-election-results-confirm-islamist-victory-1.399459>.

⁴⁴ "Iran said to have cut funding to Hamas as group fails to show pro-Assad front," *Middle East Reporter*, 12; Nidal al-Mughrabi, "Hamas blames power crisis on Egypt in rare rift," *Reuters*, March 2 2012, <http://www.reuters.com/article/2012/03/02/palestinians-hamas-egypt-idUSL5E8E22JN20120302>.

⁴⁵ Samuel Helfont and Tally Helfont, "Jordan: Between the Arab Spring and the Gulf Cooperation Council," *Orbis* 56, no. 1 (2012), 88. These protests were not as large as the ones in Egypt, Tunisia, Libya, Syria or even Bahrain and Yemen.

mistake".⁴⁶ However, the new relationship remains fragile. Thus, it is not clear whether these new opportunities will go far enough to decrease its economic dependence on Iran. The new Jordanian relationship is not yet strong enough for Hamas to take up residency there, and the MB in Egypt is internally focused, not least of all on its problematic relationship with the SCAF.⁴⁷

Hamas' responsiveness to Palestinian public opinion, despite principal demands, created a further problem for the movement: increased internal divisions within the organisation. The divisions are largely found between the internal and external leadership residing, until recently, in Damascus. The external leadership is more susceptible to state demands due to its fund-raising responsibilities at the same time as their geographic location distances them from the Palestinian community and 'facts on the ground'. The internal leadership and movement suffer the consequences of resistance when Israel retaliates either through sanctions or military action.⁴⁸ They are, therefore, in tune with the OPT community's situation in contrast to the external leadership. This might not be such a problem except for the external leadership's concentration in the Political Bureau, and consequent control over Hamas' income and closer relationship with the Qassam Brigades which gives it leverage over the Shura Council.⁴⁹

During the mid-1990s, internal divisions were particularly significant because the PNA was determined to crack-down on all resistance activity. The internal leadership was, thus, more pragmatic and less inclined to militancy than the external leadership.⁵⁰ Oslo's political institutionalisation and the temporary erosion of Hamas' public support as a result of the popularity of the peace process led to political isolation. This isolation and Hamas' diffuse organisational structure were also major pressures on internal unity. The situation climaxed in 1996 during the election period. However, divisions subsided to manageable

⁴⁶ Farrell, "New winds in Mideast favour Hamas," *New York Times*.

⁴⁷ Farrell, "Hamas leader takes rare trip to Jordan," *New York Times*; Nidal al-Mughrabi and Douglas Hamilton, "Analysis- Hamas on the move, seeks Palestinian ascendancy," *Reuters*, February 1 2012, <http://uk.reuters.com/article/2012/02/01/uk-palestinians-hamas-idUKTRE8101E520120201>.

⁴⁸ Yassin, Abdel 'Azziz al-Rantisi, Abu Shanab and Salah Shihada were all inside leaders and casualties of the resistance to Israel (see table 1 for timing). al-Zahar has also lost two sons.

⁴⁹ Mishal and Sela, *The Palestinian Hamas*: 88; Gunning, *Hamas in politics*: 40.

⁵⁰ ———, *Hamas in politics*: 40.

levels due to the structural emphasis on consultation and democratic practice, Yassin's legacy as Hamas' spiritual leader.⁵¹ This makes Hamas one of the few VNSs to have prevented a group splintering away from the movement. Yet, recently new leaked discussion documents suggest Mishal's signing of the Doha agreement in 2012 came as a surprise to the Gaza leadership which reacted negatively towards it. In Mishal's calculations, a policy redirection is needed in order to solidify increasing ties to Turkey, Egypt and Jordan given the moderate position of these countries. Thus, this time, it is Mishal of all people, head of the Political Bureau, advocating a more peaceful resistance to the outrage of the Gazan leadership and in a reversal of the 1990s situation.⁵²

Even were the leadership unified, there is no certainty that the actions taken by the Qassam Brigades would be in line with official policy. The Qassam Brigades are part of the delegation chain beginning with Iranian delegation to Hamas' political leadership which, in turn, delegates to the Brigades.⁵³ Yet, the organisational structure of Hamas is so decentralised that the political leadership has very little means at its disposal to control them aside from limiting their income. This lack of control was prominent in 1996 and in 2001. In 1996 Hamas' internal leadership froze attacks against Israel, but, in the wake of the assassination of Yahya Ayyash, a Hamas' engineer, three suicide bombings were claimed by a sub-group of the Qassam brigades calling themselves the Students of Yahya Ayyash.⁵⁴ In 2001, when following a PNA/Israeli ceasefire, the Qassam Brigades declared a truce in the name of Hamas. Yassin said he had not been part of the decision.⁵⁵ The decentralisation is, however, necessary to enable the leadership to plausibly deny knowledge of military attacks. Thus, the division within the organisation between the leadership and the Brigades is likely to remain for the foreseeable future.

Finally, the uncertainty cost derived from the unreliability of principals is of particular importance to Hamas because it has little leverage over Iran. The leverage the PLO had

⁵¹ Wendy Kristianasen, "Challenge and counterchallenge: Hamas's response to Oslo," *Journal of Palestine Studies* 28, no. 3 (1999), 30; Gunning, *Hamas in politics*: 101; Parsons, *The politics of the Palestinian Authority*: 193.

⁵² Editorial, "Hamas's disputes," *Al-Quds al-Arabiya*.

⁵³ See figure 2 for the Iran-Hamas delegation chain.

⁵⁴ Kristianasen, "Challenge and counterchallenge," 28-29.

⁵⁵ Mishal, "Palestinian Hamas: A network perspective," 583.

over Arab states in the 1960s and 70s, due to its popularity with domestic audiences, does not exist for Hamas in its relationship with Iran.⁵⁶ The Iranian public, in general, sees the Palestinian cause, in the first instance, as an Arab nationalist one and not as an Islamic one; therefore, the struggle is not theirs to fight.⁵⁷ This is not to say that Hamas has no agency. However, its ability to interpret and reinterpret its mandate and decrease slack is limited. If a particular interpretation went against its own interests, then risking the severance of the relationship might be worth it. For instance, after the 2006 election, Hamas attempted to retain funding from Arab countries by minimising the religious rhetoric it used.⁵⁸ This failed because, in order to retain funding, it was expected to agree to the quartet's demands, going against its resistance agenda and isolating Hamas from its core membership.⁵⁹ Furthermore, ultimately, if the environment changes and a PA relationship is no longer required by Iran, there is nothing Hamas can do except to have prepared for the eventuality.

As dependency on Iran grew after 2001, so too did Hamas' uncertainty costs. As its only significant state supporter by 2006, the possibility that Iran might choose to cease its support if its strategic environment changed, as had occurred with Hamas' other state supporters, was a serious problem. In 2011, this uncertainty became acute due to the Arab spring. Iran's traditional reasons for delegating to Hamas appeared to weaken immediately after the Egyptian revolution as it led to a *détente* with Iran which would increase the IRI's access to the Arab world.⁶⁰ Furthermore, if Syria falls, Hamas will find it increasingly difficult to access Iranian funds simply because the infrastructure for the transfer is gone (assuming a new Syrian regime would be less accommodating to Iran).

However, the Egyptian *détente* did not develop further due to Saudi Arabian pressure on Egypt and, therefore, Iran remains in need of credible commitment against an Israel increasingly vociferous about a preemptive strike against Iranian nuclear facilities (however rhetorical).⁶¹ This gives Hamas a limited amount of leverage to prevent the PA relationship

⁵⁶ Byman, *Deadly connections*: 48.

⁵⁷ See p.97-99

⁵⁸ Hroub, "A "New Hamas," 20.

⁵⁹ See p.78 for the Quartet's demands.

⁶⁰ Black, "The two swift changes in foreign policy that signal a new Egypt," *Guardian*

⁶¹ Parsons, "Palestine through the Arab Spring," 24

deteriorating. In early 2012, it altered its stance on what action will be taken should Israel attack Iran - none.⁶² By weakening (slightly) Iran's credible commitment against Israel, Hamas sanctions Iran in much the same way Iran is sanctioning Hamas economically. A report now out, based on information sourced from Fatah, says Iranian monetary support for Hamas restarted in 2012 in an effort to inhibit Palestinian unity and decrease the likelihood of improved Palestinian relations with Israel.⁶³ Thus, it appears the failure of the Egyptian détente to significantly increase Iran's ability to cooperate with Arab states led Iran to place the importance of credible commitments against Israel and the continuation of the Arab-Israeli conflict above Hamas' slack with regards to supporting Syria.⁶⁴

Nevertheless, finding and exploiting more certain income streams remains important. Originally, this steady income developed from Palestinian sources. In 1993/4, Israeli intelligence estimated that Hamas received half its money from "Palestinian Islamist associations in the diaspora, individuals, and business communities and indirectly from Arab and Islamic humanitarian foundations in the Middle East, Western Europe, and the Americas".⁶⁵ Most of this money would go to its social services and not to the Qassam Brigades. In 2004, Hamas demonstrated that it also received substantial funding for its militant actions directly from the internal Palestinian public.⁶⁶ After the 2006 elections, Hamas began to accrue substantial funds from smuggling through the tunnels under the border with Egypt and particularly a monopoly over cigarette sales. In 2009, this earned it up to \$200 million which accrued not to the Hamas government, but to the organisation.⁶⁷ Levitt also suggests that Hamas has begun to receive millions of dollars from pirating multimedia and the collection of 'royalties' from the counterfeiters.⁶⁸ However, although these sources of income may tide Hamas over, it is not sufficient to maintain the organisation, at least in its current form, indefinitely in the absence of Iranian funding.

⁶² Sherwood, "Hamas rules out military support for Iran in any war with Israel," *The Guardian*.

⁶³ Reuters, "Iran paid Hamas to block Palestinian unity deal," *Haaretz*. Such a change in Iran's stance since the previous year is likely due to the failure of ties with Egypt to warm markedly due to Saudi Arabian pressure on Iran. Parsons, "Palestine through the Arab Spring," 24.

⁶⁴ Reuters, "Iran paid Hamas to block Palestinian unity deal," *Haaretz*.

⁶⁵ Mishal and Sela, *The Palestinian Hamas*: 87-88.

⁶⁶ See p.80

⁶⁷ Sayigh, "Hamas rule in Gaza". 6.

⁶⁸ Matthew Levitt, "The political economy of Middle East terrorism," *Middle East Review of International Affairs* 6, no. 4 (2002): 54.

8.3 Conclusion

The research questions answered in this chapter were: what are the costs and benefits that arise from the relationship for Hamas; and how has the relative weight of those costs and benefits changed over the course of the relationship and why have they changed? They were answered using PA analysis. In the previous chapter, they were answered in relation to Iran. To start this chapter, the benefits of the relationship for Hamas were identified: funding and training. Hamas' dependency on Iran for providing these gradually increased from a low in the 1990s to a high post-2006 due to a narrowing of its funding base (see table 3). This narrowing was caused by a number of external events including increasing USA pressure after September 11, 2001, as well as concern over Arab states' own domestic terror incidents.

Table 3 also illustrated the parallel increase in costs as dependency increased. These costs include increasing state control, threatening the 'independent Palestinian decision,' and internal divisions. Community desensitization and uncertainty also cause problems. Problems associated with dependency were most clearly demonstrated after the Syrian uprising of 2011 when Iran attempted to coerce public support for Syria from Hamas. However, by then, Hamas' permeability had increased as first the Flotilla Crisis led to a warming of relations with Turkey, and then, the Arab spring led to a position reversal in Egypt and Jordan. This gave Hamas options in the post-Arab spring environment. Thus, despite severe sanctioning by Iran, Hamas has refused to show support for Syria. Indeed, it has declared support for the Syrian people after closing down its Damascus offices.

This episode would not have represented a problem for other VNSs because many become desensitised to their communities, responding as their state principal requires them regardless of the preferences of their own community. However, an internal Gazan leadership, a legacy of social welfare responsibility inherited from the MB and the formalization of its relationship with the Palestinian community in the 2006 elections enabled Hamas to remain connected to the Palestinian community, sometimes at the expense of organisational unity. This disunity was at a height in 1996, in part, due to pressures created by the institutionalisation of the Oslo peace process. They subsided

throughout the 2000s as Yassin, released from prison in 1999, preached consultation and consensus, and the Oslo peace process failed. However, Hamas' response to the Arab spring appears to be exacerbating internal divisions again as the alternatives to armed resistance begin to look more attractive if they entice stronger relations from countries tied to Israel and the USA, such as Egypt, Jordan and Turkey.⁶⁹ Nevertheless, for the time being, Hamas remains committed to armed resistance and until it renounces its arms, it will want funding and training from Iran.

⁶⁹ Editorial, "Hamas's disputes," *Al-Quds al-Arabiya*.

9 Conclusions

At the beginning, I outlined three research questions this thesis addresses: What are the costs and benefits that arise from the relationship for each of the actors – the IRI and Hamas? How has the relative weight of those costs and benefits changed over the course of the relationship? And how do we explain those changes? The purpose of these questions is to develop further a little-studied area of both Iran and Hamas' IR and bring a new perspective to the study of state –VNS relations. To do this PA analysis was used. As highlighted in chapter three, this is a new theoretical framework for state-VNS relations; however, it has previously been applied to the relationship between states and licit IOs, USA political institutions and voters, and has an even older pedigree in economics dating back to 1937. The stress on the rational calculation of costs and benefits through PA analysis stands in contrast to studies that are too often viewed through the prism of ideology or grand strategy.

The answer to the first question, what are the costs and benefits of the PA relationship, was developed through five different chapters. Chapter two outlined the potential costs and benefits for the principal (Iran) and the agent (Hamas). For the principal, the benefits include utilising VNS expertise, credible commitments, plausible deniability and both foreign and domestic legitimacy. Costs were a mixture of adverse selection and slack. Adverse selection occurs when, subsequent to delegation, the principal discovers that the preferences or capabilities of the agent are not what they want. The principal must then choose whether to incur the costs of terminating the relationship and finding a new agent, or incurring greater control costs. Slack occurs in the range of autonomous action the principal cannot, or chooses not, to control. It comes in two forms: shirking and slippage. Shirking takes place when the agent minimises action taken on behalf of the principal, funneling the resources provided into fulfilling its own interests, though these might not be directly conflicting with the principal's. Slippage occurs when the agent moves its policies away from the principal's preferences and takes action which will directly hurt the principal.

For the agent, training, funding and shelter can be crucial lifelines, but the costs are also considerable. The exertion of principal control can force action inconsistent with the agent's own preferences, preventing goal fulfillment and increasing divisions within the organisation. Dependency on an unreliable principal could lead to the collapse of the agent. Finally, reliance on a principal, particularly for shelter, can desensitise the agent from their communities.

However, both actors use mechanisms to minimise the costs and maximize the benefits of the relationship. The principal screens potential agents and checks and balances, monitors and sanctions existing agents. The agent can interpret and reinterpret the principal's mandate, expand their permeability, and buffer the actions of the principal. The decision to contract and the effort that the principal and agent put into these mechanisms is based on what it will cost should they choose to terminate the relationship and either contract with a new actor or select the next best alternative. For the principal the next best alternative is, either, cooperation or war. For the agent, the only other option is diplomacy without the threat of violence.

Chapters five and six provide background information on Iran and Hamas in order to contextualize their reasons for contracting. Chapter five, an analysis of the IRI as a political system, concludes that the IRI is a unitary principal, despite factionalism within the political elite. The key factor rendering the IRI as a unitary actor is the overshadowing presence of the Faqīh. Chapter six identifies Hamas' organisational structures, including the Political Bureau and Shura Council, and how the preferences of the organisation moderated as nationalist influence increased at the expense of religion; this is due, in large part, to a changing domestic environment brought about through the implementation of the Oslo Accords and their subsequent failure (see table 1).

Chapters seven and eight finally fully answer the research questions from the different perspectives of Iran, the principal, and Hamas, the agent. The IRI derives some benefit from all of the categories highlighted in chapter two (expertise, credible commitments, plausible deniability, as well as domestic and foreign legitimacy). Adverse selection is not

an issue for Iran in this relationship, due to a careful selection process. However, slack is a significant problem and the IRI's ability to prevent it from occurring is limited, despite checks and balances, monitoring and sanctioning power.

Hamas gets training and funding from Iran, both of which are crucial. Syria, not Iran, provides shelter. However, as Syria and Iran often act as a collective principal, when an issue arises that has an impact on Hamas' sanctuary in Syria, it can impact on its relationship with Iran, as happened in 2011. Unlike other agents, Hamas has suffered less from dependency issues related to the exertion of principal control and their unreliability, although it became a problem after 2006. Desensitisation from the community has also not been as large a cost for Hamas as it was for the PLO in the 1980s. However, internal divisions are a cause of concern, more so because Hamas remains sensitised to its domestic constituency.

Questions two and three, how have the relative importance of the benefits and costs changed and why have they changed, are also answered in these chapters. They change frequently, due to changes in the external environment; these changes have affected both Iran's ability to cooperate with other states, and Hamas' autonomy vis-à-vis external sponsors. In this respect, the Oslo Accords, the outbreak of the al-Aqsa Intifada, the backlash from al-Qaeda's attacks of September 11, 2001, the 2003 Iraq War, the 2006 Palestinian elections, and the 2011 Arab spring have been key events.

The Oslo Accords aided Iran's perception that delegation to Palestinian actors would be needed before cooperation with Arab states would be possible, because without the Palestine issue, Israel would be able to convince the Arab states to cooperate in isolating Iran further. Furthermore, slack was unlikely, despite Hamas' high permeability, because Iran's and Hamas' preferences were closely aligned. Events of September 11, 2001, at first, decreased Iran's reliance on the relationship because the opportunity to cooperate with the USA over Afghanistan arose. This increasing cooperation also increased Iran's risk perception regarding Hamas' resistance to Israel because it would damage its fragile, new

relationship with the USA at the very time Hamas' resistance was increasing due to the outbreak of the al-Aqsa Intifada; thus, slack increased.

Hamas' permeability dropped during this period leading to its decision to participate in the 2006 elections. At this time, the Iraq war and the USA's refusal to entertain cooperation with Iran after the 'axis of evil' speech reoriented Iran towards delegation. After the 2006 election, permeability dropped further, making delegation to Hamas even more attractive to Iran as it increased the potential effectiveness of its control mechanisms, particularly sanctions. However, the volatile nature of the Arab spring created uncertainty regarding these calculations. The détente with Egypt initially slightly decreased Iran's requirements vis-à-vis Arab Street legitimacy. However, the need for credible commitments against Israel remains high. At the same time, permeability once again increased for Hamas as Egypt, Turkey and Jordan have opened up slightly. Hamas' slack also increased, despite the power of sanctions, because the preferences of its Palestinian support base diverged from Iran's in its interest to save the Syrian regime; the Palestinian public is not an enthusiastic supporter of the al-Assad regime, whereas, for Iran, Damascus remains a key strategic ally.

Although the full impact of the Arab spring has yet to be felt in the relationship, it is likely to remain intact. Iran's conflict with Israel, coupled with the threat (no matter how rhetorical) of war over the nuclear programme, suggest that Iran will continue to delegate to Hamas if only to retain another VNS that can credibly commit to retaliate against Israel. Furthermore, the need to retain street credibility in the Arab world remains high, even though the tentative détente with Egypt exists. Thus, despite slack, the benefits of delegation remain high. Hamas, too, will not turn down support while it remains committed to using violence as a political tool, seeking instead to increase permeability. Thus, the impetus for cancelling the contract will likely be external to the relationship, not internal. Iran must have reason to trust that cooperation with other countries has a real chance of achieving its national and revolutionary interests and that the chance will be harmed by continued delegation to its Palestinian VNS. Hamas must have reason to trust that diplomacy and negotiations will succeed in creating a Palestinian state of which it is

part, or, alternatively, that its existence depends on a change of direction (something Mishal is thought to believe if Hamas wants solid relations with Turkey, Egypt and Jordan). Only then will the costs of the relationship and the benefits of alternative policies outweigh the benefits of the relationship. Such an understanding of the Iran-Hamas dyad was made possible through utilising the cost-benefit analysis of PA theory.

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Appendix 1

The Advantages and Disadvantages of the Alternative Positions Toward the Election¹		
<u>The Alternative</u>	<u>Advantages</u>	<u>Disadvantages</u>
First: Hamas participates in the election	<ul style="list-style-type: none"> • Attaining the highest possible percentage of the votes. • Proving the movement's popularity. • Preventing political isolation. • Preserving the popular basis won by the movement during the Intifada and confronting the attempts to contain it. • Securing a greater chance to confront the concessions in the phase of final negotiations [acting] from a position of elected popular presentation. 	<ul style="list-style-type: none"> • It will be difficult of Hamas to play a role of political participation and [violent] resistance at the same time. • A significant legitimacy will be given to the elections, indicating Hamas' compromise of its objection to the self-government as a solution to the [Palestinian] problem. • If [Hamas] will not win a majority, which is most likely, the act [of elections] will appear as a [reflection of] popular consensus. • It's impact on the current of Jihadist Islam concerning Palestine.
Second: Hamas boycotts the elections and calls on the people to also boycott	<ul style="list-style-type: none"> • An attempt to diminish the legitimacy of the elections and in effect also of the negotiating process and the concessions that it entails. • Political corroboration deriving from our objection to the self-rule and its consequences. 	<ul style="list-style-type: none"> • Political isolation [of Hamas], facilitating the opportunity to Fatah to contain Hamas...(sic) • The movement loses the political warranty that supports the policy of resistance to the occupation.
Third: Boycott and attempt to disrupt the elections by force	<ul style="list-style-type: none"> • If we win, it means foiling the process of negotiations. • Affirming the absence of legitimacy of negotiations and concessions. • Affirming Hamas' capability of political action. • Deepening Hamas' popularity and power. 	<ul style="list-style-type: none"> • It might mean an entrance into a military confrontation with Fatah, that is, a civil war, for which we would be held responsible by the [Palestinian] people. • We might not succeed in foiling [the elections], which means, sustaining popular losses in addition to the human casualties, providing the future authority a pretext to adopt policies of striking the movement and forcing it into isolation.
Fourth: Political participation under another placard	<ul style="list-style-type: none"> • Guaranteeing non-isolation. • Preservation of the popular basis attained by the Islamic movement during the Intifada. • Exercising a political role in support of the line of resistance, which Hamas continues to follow. 	<ul style="list-style-type: none"> • It might not realize the same rate of votes, which we can attain through participation in the name of Hamas. • Confusing the public [due to difference] between the position of the resistance and the position of participation, even if there was a separation between the placard and the movement.

¹ Mishal and Sela, *The Palestinian Hamas: Vision, violence, and coexistence*: 124-25.