FAUSTIAN BARGAINS: RISK AND TIME IN INTERNATIONAL POLITICS

A Dissertation
submitted to the Faculty of the
Graduate School of Arts and Sciences
of Georgetown University
in partial fulfillment of the requirements for the
degree of
Doctor of Philosophy
in Government

By

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Washington, DC
March 20, 2012
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ABSTRACT

Leaders at times select policies that pose significant long-term strategic risks. In order to explain why decisionmakers knowingly pursue policies that pose a security risk over time, this dissertation uses process tracing to examine instances in which leaders chose to discount the future strategic risks associated with nuclear assistance, state-sponsored terrorism, and arms transfers to recognized adversaries. In pursuing these policies, decisionmakers risked that the client would: 1) use received weapons, training, or technology against its former patron (“boomerang”); 2) change its future policies and align with a patron’s enemies (“betrayal”); or 3) no longer be susceptible to pressure from its former patron (“emancipation”). Risks could also stem from a third party that sought to stop the flow of assistance to an enemy (“revenge”).

To explain these behaviors, this dissertation develops a theory of risk in international politics that links threat perception to risk tolerance: drawing on the concepts of heuristics and intertemporal choice, it argues that when a decisionmaker believes that threats are acute and immediate, his time horizon contracts and he becomes more willing to pursue policies that pose long-term strategic risks. The principal finding of this study is that adverse shifts in the balance of threat lead a decisionmaker to discount future strategic risks: when his state faces an immediate and acute threat, a leader becomes more willing to run long-term risks. A secondary insight centers on the idea that a decisionmaker becomes more willing to pursue policies that
pose strategic risks over time when he believes his state can manage the risks associated with such policies.

This dissertation examines six case studies, which vary in geographic location, regime type, time period, and type of long-term risk. A process-oriented schema supplements this strategy and demonstrates that temporal considerations and shifting time horizons best explain why policymakers discount long-term strategic risks. By moving beyond traditional approaches to risk in international politics, this study provides scholars and policymakers with a better understanding of risk perception and time horizons in international relations.
ACKNOWLEDGEMENTS

First thanks go to my dissertation committee members, whose thoughtful advice and general patience made this work possible. Dan Byman, my advisor, provided me with insightful and timely comments, and has been a consistent source of support in both my academic and professional endeavors. Not only did Dan Nexon push me to think more deeply and critically about my theories, but his counsel and support throughout my time at Georgetown were more valuable and appreciated than he knows. Matt Kroenig helped me sharpen my ideas and nurtured my interest in all things nuclear, working with me on an independent study and introducing me to the PPNT program. I remain indebted to each of these truly talented scholars.

At Harvard, I was lucky to learn from a number of gifted historians. Kenneth Weisbrode inspired me to “tell it like it really was.” Eric Paras, another tutor and mentor of mine, indulged my interest in Scottish Enlightenment philosophy and taught me the value of following my academic passions. I learned more about writing from Dan Wewers, my undergraduate thesis advisor, than anyone else in my years of schooling. Ann Blair, my department advisor, and Dan Sargent, my house advisor, helped me remember to stand for my ideas.

I am grateful for the opportunities I have been afforded by other academic institutions. At Columbia, I owe thanks to Robert Jervis and Ingrid Gerstmann, who welcomed me into the Saltzman Institute family and allowed me to use Columbia’s remarkable resources. I was also lucky enough to participate in UC San Diego’s Public Policy and Nuclear Threats Training Program, where, in addition to receiving a first-rate education on nuclear energy, weapons, and strategy, I was able to bounce my ideas off some of the country’s leading atomic thinkers.
A number of people in Washington, DC are owed immense gratitude. My roommates of 2022 N — Kiran Bhatraju (who also proofread a chapter for me), Dan Milich, and Chad Maisel — were incredibly tolerant of my studying and proved wonderful friends to hang out with around the house. I couldn’t have passed comps without my inimitable study group members, Anna Lee and Tom Nagle, who continue to be my go-to people for my IR ideas and confusion. Michael and Sally Oren have given comfort and guidance to me since I was a senior in college. Finally, I am deeply grateful to the current and former government officials who let me interview them for this work; I appreciate their confidence and trust.

I could not ask for more extraordinary or truer friends. My blockmates — Aaron Alexander-Bloch, Kyle Berkman, Teddy Bressman, Chris Schonberger, and Trevor Walsh — are simply the best and most jokes people I know. Katherine Thompson, my friend from Let’s Go and a star of Columbia’s psych department, graciously answered all of my questions about cognitive psychology. Adrienne Gerken took time out of her medical studies to translate sources for me. Anjali Dayal generously read my introduction and theory chapter, and helped me prepare for my defense. Sophie Brickman, Rachel Nolan, and Jacob Savage lent their considerable talents to proofreading chapters; I am grateful for their edits, but more so for their friendship. Emily Moffet, David Kaden, Stephen Fee, Sandra Di Capua, Dave Eisenberg, and Laura Graber have all also been unending sources of encouragement and kindness over these past years.

I am tremendously lucky to have such a wonderful family. In Brooklyn, Adam, Joanne, Ethan, and Will have made my New York life all the more enjoyable with Tuesday night dinners and time spent at basketball and baseball games. Through countless meals, coffee breaks, and walks around Washington and New York, my sister Kimberly and sister-in-law Kim have
expressed their faith in me and my ability to complete this work; their words have always been much appreciated. Stuart, my brother, proofread four chapters of this dissertation and has always been the first person I turn to with questions and concerns, whether they pertain to syntax or life. Final and greatest thanks go to my parents, Owen and Linda, whose unwavering support and encouragement have made everything possible. Not a day goes by that I don’t count myself lucky to be their son. This work is, of course, for them.
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INTRODUCTION

In August of 2010, reports emerged that U.S. and Vietnamese officials were meeting to discuss the development of nuclear energy in Vietnam. Though the terms of the dialogue remained undisclosed, the negotiations sparked controversy and outcry from a number of international observers. A principal point of contention rested on the idea that such a deal would stand in stark contrast to U.S. policy on the Iranian nuclear development program, which Washington has struggled with increasing urgency to curtail.¹

What is perhaps most striking about current U.S. policy toward Iranian and Vietnamese nuclear development is the history of bilateral relations between the United States and these countries. The U.S. lost more than 58,000 soldiers during the Vietnam War, most of them during the 1960s. That same decade, the United States expended a great deal of monetary and political capital to cement its alliance with Iran; it supplied Tehran with enriched uranium, allowed Iranian nuclear physicists to train at American universities, and even helped Iran build a research reactor.

The dramatic shifts in U.S. policy over a relatively short timeline highlight the problems of decisionmaking over time in international politics. The Iranian nuclear program represents one of the foremost threats to U.S. security and interests today, and the idea of providing nuclear assistance to Vietnam would have seemed anathema merely fifty years ago. In a dynamic world of fluid alliances, why would the U.S. ever run the risk of providing another state with nuclear power? Or more broadly still, why do decisionmakers knowingly pursue policies that pose a security risk over time?

This dissertation seeks to answer that broader question. International politics is replete with examples of state leaders who have selected policies that not only contravene their declared preferences, but also jeopardize their states’ long-term security. While decisionmakers are commonly reluctant to undertake such risky initiatives, understanding why they sometimes accept future risks would be of value to both theorists and practitioners of international relations.

And yet the extant literature is deficient in its treatment of risk in international politics, as current studies are wanting in one of two ways. First, theorists of risk in international relations tend simply to apply prospect theory to a given puzzle. Although these scholars have helped draw attention to the importance of framing in decisionmaking, little progress has been made in determining what specific factors or events may affect the risk tolerance of state leaders. Second, studies of risk often focus exclusively on the immediate consequences of a policy, rather than the potential adverse effects of that policy over time. While works on supply-side logics, especially in nuclear assistance, are inherently concerned with future consequences and have made significant contributions to understanding why states may be willing to empower other

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2 Jeffrey Taliaferro’s *Balancing Risks*, Rose McDermott’s *Risk-Taking in International Politics*, Barbara Farnham’s *Avoiding Losses/Taking Risks*, Jeffrey Berejikian’s *International Relations under Risk*, and Robert Jervis’ “Political Implications of Loss Aversion” all evince a tendency to explain risk taking through prospect theory without drilling down deeper into an examination of what factors may be causing the loss frames. Jack Levy does note that “[a]fter suffering losses (in territory, reputation, domestic political support, etc.), political leaders have a tendency not to accommodate to those losses but instead to take excessive risks to recover them.” Levy, “Prospect Theory, Rational Choice, and International Relations,” 93. However, he does not determine which types of losses carry more explanatory weight. See also Goldgeier and Tetlock, “Psychology and International Relations Theory,” 70.

3 Though they draw on the divergent traditions of rationalism and cognitive framing, James Fearon’s “Rationalist Explanations of War” and Yaacov Vertzberger’s *Risk Taking and Decisionmaking* are two works that embody this approach. Levy’s contribution to the Farnham volume, “Prospect Theory in International Relations,” alludes to this problem, as he notes that decisions are colored by the “complexity of trade-offs between immediate and future risks (and uncertainties). This raises a difficult theoretical problem and one which has not received much attention in the literature on prospect theory. … Decisionmakers not only focus on the level of risk, but also assess when the risky outcomes are likely to arise, and the extent to which they (decisionmakers) will be able to control the sequence of events leading to those risky outcomes.” Levy, “Prospect Theory and International Relations,” 137. Alexander George’s “The Operational Code” is a rare exception to this rule, as he writes that “leaders distinguish not only the magnitude of risks but also between risks that are immediate and those which are more remote.” George, “The Operational Code,” 214.
actors, there is still room in the field to foreground more heavily issues of risk perception over time.  

Contribution and Key Findings

This dissertation aims to correct existing deficiencies by determining why leaders sometimes pursue policies that pose long-term strategic risks. It emphasizes the temporal aspect of decisionmaking in international relations, as the distant future consequences of an event can still have a tremendous negative impact. The research objective of this work is to develop

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4 Matthew Kroenig acknowledges that states are endangered by their decision to supply nuclear assistance: “Non-power-projecting states may still be concerned that nuclear proliferation could lead them to become the victims of a nuclear attack or nuclear coercion from a nuclear-armed state. They may also assess that nuclear proliferation could deter allies from coming to their defense if they are attacked by a nuclear-armed state. Leaders in these states may also be concerned that the spread of nuclear weapons could lead to a general nuclear war among major powers.” Kroenig, *Exporting the Bomb*, 35. Still, there is a need to examine closely how states understand the long-term dangers of such assistance, and why their leaders choose to discount those risks. Kroenig concludes that “these potential threats are low-probability events making it unlikely that any state will bear these costs. … Second, it is likely that many of these additional costs are also concentrated disproportionately on power-projecting states. … Third, and most important for our present purposes, however, leaders in non-power-projecting states do not fear that nuclear proliferation will constrain their conventional military advantage.” Kroenig, *Exporting the Bomb*, 35. Kroenig’s points are well taken, but they do not answer why and how states come to believe that supplying nuclear technology represents less of a risk than not doing so. Why, in other words, is nuclear assistance worth the increased risk of devastation? See also Paul, “Chinese-Pakistani Nuclear/Missile Ties and the Balance of Power,” 1-9; Braun and Chyba, “Proliferation Rings,” 5-49; Singh and Way, “The Correlates of Nuclear Proliferation,” 859-85: Jo and Gartzke, “Determinants of Nuclear Weapons Proliferation,” 167-94. For more on non-sensitive nuclear proliferation, see Fuhrmann, “Spreading Temptation,” 8. Studies of state-sponsorship of terrorism have also looked at the empowerment of groups, but have similarly failed to address these questions through the framework of long-term risks. Two of the field’s most important and definitive works on terrorism — Bruce Hoffman’s *Inside Terrorism* and Daniel Byman’s *Deadly Connections* — prove illustrative. In his book, Byman seeks to answer why states sponsor terrorist groups or passively “turn a blind eye” to their presence despite the anticipated costs and high stakes of doing so. Byman, *Deadly Connections*, 6, 15. Apropos this latter point, Byman notes that states “often anticipate the punishment that they may receive for backing terrorists and nevertheless choose to provide support, believing they can endure or avoid the pain.” Byman, *Deadly Connections*, 6. And yet the question of why states believe they can avoid or endure the pain remains, and invites more than a logics of consequence answer. While Byman does note that state-sponsored terrorism can provide a large return on investment and that “terrorists offer another means for states to influence their neighbors, topple a hostile adversary regime, counter US hegemony, or achieve other aims of state,” it is still worth investigating why and how states come to believe that these gains outweigh the severe long-term risks associated with such support. Byman, *Deadly Connections*, 4. Hoffman’s sweeping study of terrorism also argues that state-sponsors of terrorism engage in strategic reasoning, noting that since the 1980s, some governments have “come to embrace terrorism as a deliberate instrument of foreign policy: a cost-effective means of waging war covertly.” Hoffman, *Inside Terrorism*, 258. Although Hoffman’s work does suggest that states understand the risks of sponsorship, a contribution to the field can be made by investigating what compels a state leader to discount future risks and decide that providing a group with assistance is less threatening than not acting as its patron.
generalized theories that will better enable scholars to understand and evaluate risk and time in international politics. Equipped with such theories, analysts may be able not only to shed new light on historical cases, but also predict risk acceptance with greater foresight and precision.

This dissertation develops a theory of risk in international politics that links threat perception to risk tolerance: drawing on the concepts of heuristics and intertemporal choice, it argues that when a decisionmaker believes that threats are acute and immediate, his time horizon contracts and he becomes more willing to pursue policies that pose long-term strategic risks. In other words, a “shock” can trigger a change from stable risk aversion to risk acceptance if a given policy counters an imminent danger.

The main finding of this study is that adverse shifts in the balance of threat lead decisionmakers to discount future strategic risks. When their states face an immediate and acute threat — an imminent military attack, an occupation, or the intervention of an adversary in a prized sphere of influence, for example — leaders become more willing to run long-term risks. Notably, this explanation goes beyond neorealism; though it draws heavily on realist theory, the explanation marshals findings in cognitive psychology to account for temporality, discounting, and altered preferences in decisionmaking.

A secondary insight centers on the idea that a decisionmaker will become more willing to pursue policies that pose strategic risks over time when he believes his state can manage the risks associated with such an action. Risk management is a lamentably underexplored phenomenon in international relations; this dissertation demonstrates that, while less powerful than the shifts in the balance of threat hypothesis, a risk management explanation still carries weight in elucidating future risk discounting. Indeed, this study shows that decisionmakers are more willing to run
risks both when agents credibly commit to stable foreign policies (ex ante risk management) and when principals can remain actively involved in the implementation and oversight of a risky policy (ex post risk management).

Three alternative explanations — domestic politics, trust, and prestige — at times shed light on future risk discounting, but do not apply convincingly across historical cases. Where these explanations do prove useful, they do not carry more explanatory weight than the shifts in the balance of threat or risk management hypotheses. They remain, in other words, of secondary importance at most. Still, in order to avoid sacrificing accuracy for parsimony, this dissertation does not downplay multiple or alternative explanations where they are informative. It does, however, always strive to “narrow the number of plausible explanations” and “indicate as clearly as possible the extent to which the remaining hypotheses appear to be complementary, competing, or incommensurate in explaining the case.”

This work contributes to the field of international relations through two types of theory building. First, it tests extant theories against the problem of future risk discounting, which scholars in the field have yet to examine in a coherent, rigorous way. This dissertation also generates new hypotheses: it adds a temporal and cognitive element to neorealism to create the shifts in the balance of threat hypothesis, and creates the original risk management hypothesis to explain future risk discounting in international politics.

**Research Strategy and Design**

The dependent variable in this study concerns a leader’s decision to knowingly pursue policies that pose strategic risks over time. “Risk” is defined as the adverse consequences

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5 Bennett, “Case Study Methods,” 41.
stemming from an actor’s decision, measured by probability and impact. Because this
dissertation focuses on international politics, only state exposure is considered when evaluating
risk over time. It is also important to note that this study does not assume that risks increase over
time — only that future costs exist and may one day materialize.\(^6\)

This dissertation examines multiple cases with in-case analysis and creates a process-oriented schema to supplement this strategy. By relying on process tracing, this study seeks to pinpoint why decisionmakers elected to discount future strategic risks. In order to gain the most insight from this work, both the decisionmaker’s initial risk acceptance and his subsequent approach to that risk are examined.

This dissertation primarily employs first-image analysis, focusing on key state actors who chose to pursue policies that posed long-term strategic risks. While there is a rich tradition of such analysis in international relations, the approach is fraught with methodological obstacles that must be acknowledged.\(^7\) First, as many scholars have noted, it is impossible to “get inside the heads” of decisionmakers. Although primary sources, including memoirs and interviews, can be illuminating, they can also be self-serving; this dissertation consequently draws on as wide a range of available evidence as possible and strives for informed analysis over guesswork.

Because “[i]ndividual personalities take on added significance when power is concentrated in the hands of a leader, when institutions are in conflict, or in times of great change,” it is also possible

\(^6\) While the probability of any event occurring increases over an infinite time span, it is not reasonable to assume that a specific outcome will eventually occur.

\(^7\) For more on the approach, see Byman and Pollack, “Let Us Now Praise Great Men,” 107-46.
that first-image analysis can lead to problems of selection bias.\footnote{Byman and Pollack, “Let Us Now Praise Great Men,” 109. The authors specifically note that “individuals generally matter most in authoritarian regimes with weak institutions.” Byman and Pollack, “Let Us Now Praise Great Men,” 140-41.} This dissertation acknowledges this pitfall; while variation is used to guard against selection bias, this work is guided by the belief that the analytic leverage derived from first-image analysis is both inherently compelling and most appropriate given the scope of this study.

One final hazard is worth acknowledging. This study recognizes the possibility that decisionmakers can be simply unaware of the risks associated with certain policies.\footnote{Alan Kuperman has drawn attention to this idea in his work on the U.S. response — or lack thereof — to the genocide in Rwanda. He notes that for reasons ranging from information overload to assumptions of bias in reporting, the “best information fail[ed] to reach government decisionmakers.” Kuperman, \textit{Limits of Humanitarian Intervention}, 37.} In order to address concerns of hindsight bias, this dissertation shows that decisionmakers were aware of the risks associated with their actions. What is more, it deliberately includes two cases (Chapters Two and Five) wherein state leaders have not yet felt it necessary to abandon their risky policies and return to a position of risk aversion.

\textbf{Dissertation Plan}

This dissertation proceeds in five parts, focusing on instances in which decisionmakers chose to discount the future strategic risks associated with nuclear assistance, state-sponsored terrorism, and arms transfers to recognized adversaries. While many actions in international politics involve risk taking — the universe of cases could potentially include any behavior in which a state exposes itself to danger or limits its own sovereignty — these particular practices have been chosen because they not only pose long-term risks to a state’s security, but do so in varying ways. Indeed, there is variation of risk and exposure not only across these functional issues — sponsoring a terrorist group, for example, poses different and possibly graver future
risks than those presented by arms transfers — but also within them, as civilian nuclear cooperation presents disparate dangers than sensitive nuclear assistance. What binds these issues is perhaps as important as what distinguishes them: nuclear assistance, state-sponsored terrorism, and arms transfers to recognized adversaries all involve empowering other actors in the international system. This thread, woven throughout the dissertation, creates a unifying theme that limits the scope of the study, allowing for sharper analysis and deeper discovery.

In pursuing the three policies in question, state leaders risked that the client would: 1) use received weapons, training, or technology against its former patron (“boomerang”); 2) change its future policies and align with a patron’s enemies (“betrayal”); or 3) no longer be susceptible to pressure from its former patron (“emancipation”). Risks could also stem from a third party that sought to stop the flow of assistance to an enemy (“revenge”). The dissertation ultimately shows that state leaders become risk acceptant when such policies can be used to solve an immediate and acute problem. Decisionmakers, in other words, strike Faustian bargains: for short-term gains, they become willing to endanger their states’ long-term security.

Specific cases — discussed in greater detail below — have been chosen in order to gain the greatest analytic leverage and balance possible. As such, they vary in a number of important ways, including functional issue, geographic location, regime type, time period, and type of long-term risk. Within functional issue, cases were also selected to account for available sourcing, space for scholarly contribution, and diversity in outcome (specifically, whether or not a principal has regretted empowering an agent). Furthermore, the cases contain in-case variation: the featured decisionmakers often changed their policies, oscillating between risk aversion and risk acceptance. As such, each chapter includes a section that highlights in-case variation. These
sections begin by citing the initial unwillingness of a leader to discount future strategic risks. They identify which explanatory factors were absent in these circumstances, and then pinpoint the shocks that compelled the decisionmaker to accept future strategic risks. Where applicable, these sections also discuss subsequent events that led the actor to reverse course and become risk averse again. Such variations prove valuable in identifying causal mechanisms.

Part One consists of a single chapter, “Faustian Bargains.” That chapter lays out the theoretical grounding and arguments of this dissertation. It begins by defining and exploring the concept of “risk” and examining the frameworks traditionally used to study decisionmaking under conditions of risk. After discussing the concept of time — including discounting and intertemporal choice — the chapter introduces the dissertation’s explanatory variables.

Part Two takes on the problem of nuclear assistance. Chapter Two examines U.S. nuclear assistance to the United Arab Emirates (UAE) from 2007 to 2009. During that time, the United States government negotiated and signed a civilian nuclear agreement with the UAE; in doing so, American decisionmakers risked not only that the UAE would one day transform its latent capability into a weapons capacity — potentially posing a future, existential threat to U.S. interests — but also that the Emirates might divert technologies to Iran or spark a nuclear arms race in the region. The chapter first discusses the U.S.-UAE nuclear agreement and reviews the risks posed by civilian nuclear cooperation. It argues that concerns over a nuclearizing Iran prompted decisionmakers in Washington to discount the future risks associated with civilian nuclear assistance. This explanation is complemented by a risk management one: officials felt the United States would be able to manage the risks associated with civilian nuclear assistance.
because the UAE participated in international institutions and undertook costly signaling, primarily through a pledge to forgo enrichment and reprocessing.

Chapter Three examines Soviet nuclear assistance to China from 1955 to 1959. During those years, the Soviet government provided China with both civilian and military nuclear technologies. Moscow risked that its neighbor would one day use the weapons to harm the Soviet Union, as well as that a nuclear-armed China would become an emboldened player in the international arena that no longer respected Soviet policy preferences. After reviewing the Sino-Soviet nuclear partnership, the chapter determines that Nikita Khrushchev provided China with nuclear technology to counter the immediate and acute threat that the United States posed to Soviet interests in Asia. Khrushchev’s risk calculus was also affected by his belief that he could control the risks associated with aiding the Chinese nuclear program: he implemented a risk management strategy that centered on restricting which technologies the USSR sent to China and staying actively involved in the transfer process. The chapter concludes by showing that Khrushchev became less willing to transfer nuclear technology to Beijing when he no longer believed Chinese policies were predictable.

Part Three studies the puzzle of state-sponsored terrorism. It starts with Chapter Four, which looks at the case of Jordanian assistance to the Palestinian fedayeen from 1968 to 1970. At that time, the government of King Hussein bin Talal gave material aid and provided sanctuary to the guerillas. In providing such assistance, Hussein risked not only retaliation from Israel, but also attacks from the fedayeen themselves. Chapter Four begins by showing that Hussein had restricted the guerillas’ activities before beginning to support them in March of 1968. The chapter then demonstrates that Hussein’s decision to empower the fedayeen resulted from his
belief that, after the 1968 Battle of Karameh, Jordan faced an imminent threat from Israel. His perception that failure to support the fedayeen after that battle would result in mass uprisings or civil war — which in turn would lead to his removal from office — further compelled him to discount the future strategic risks associated with sponsoring the fedayeen. The chapter finally argues that when Hussein no longer believed that he could manage those risks, he terminated support and cracked down on the guerillas.

Chapter Five considers Iranian support to Hezbollah during the reign of Ayatollah Ruhollah Mousavi Khomeini, beginning in 1982 and ending in 1989. During that time, the Khomeini government provided military, monetary, and logistical aid to the group. In backing the terrorist organization, decisionmakers in Tehran risked retaliation from states that Hezbollah attacked, as well as diplomatic and economic isolation. State leaders also ran the risks that Hezbollah might use Iranian weaponry against its patron or diverge from Iranian policy preferences. The chapter reviews the creation and early operations of the organization, drawing on events in both Iran and Lebanon. The chapter posits that Khomeini and other state decisionmakers discounted the future strategic risks associated with backing Hezbollah because the United States, Israel, and Iraq posed an acute and imminent threat to Iranian territorial interests and sphere of influence. This motivation was complemented by Khomeini’s perception that he could manage those risks, because of both the group’s predictable policies and Iran’s ability to monitor Hezbollah and deny responsibility for the latter’s activities.

Part Four examines the problem of transferring arms to a recognized adversary. Chapter Six investigates U.S. and Israeli arms shipments to Iran during the 1985-1986 Iran-Contra affair. During that time, decisionmakers violated embargoes against Tehran and provided the Khomeini
government with a variety of munitions. In doing so, officials risked that Iran would use those weapons against American or Israeli interests. They also ran the risk that third-party observers would learn of the arrangement and consequently disregard future American-led embargoes or similar strategic initiatives. The chapter reviews the chronology of the Iran initiative and then argues that shifts in the balance of threat compelled American and Israeli decisionmakers to discount future strategic risks. Specifically, it shows that U.S. decisionmakers believed that the failing health of Khomeini, coupled with domestic turmoil in Iran, had set off a succession struggle that the Soviet Union would exploit to intervene in a strategically vital country. These fears were complemented by Washington’s belief that it could manage the risks of weapons transfers, primarily through Iranian costly signaling. On the Israeli side, decisionmakers sent arms to Iran because they believed that an Iraqi victory in the Iran-Iraq War posed an immediate and acute threat to Israeli interests.

Part Five wraps up the dissertation. Chapter Seven supplements the case studies through the creation of a model. The chapter first describes expected utility and prospect theory and reviews why those models fail to explain future strategic risk discounting. It then presents an original decision tree and process-oriented schema, which demonstrate that temporal considerations and shifting time horizons — rather than probability assessments or decision weights — best explain why policymakers accept long-term strategic risks. Finally, the dissertation’s conclusion discusses the implications of this study for both the academic and policy communities and raises potential future research topics generated by this work.
CHAPTER ONE
Faustian Bargains

Why do leaders knowingly pursue policies that pose a security risk over time? In seeking to answer this question, this chapter first defines and explores the concept of risk. Next, the chapter examines the frameworks traditionally used to study decisionmaking under conditions of risk, determining that cognitive models are most valuable because they account for subjectivity and perception. A discussion of time, including discounting and intertemporal choice, follows. The chapter concludes by introducing the explanatory variables that are considered in this dissertation.

Ultimately, this chapter develops a theory of risk in international politics that links threat perception to risk tolerance. Drawing on the concepts of heuristics and intertemporal choice, this dissertation argues that when decisionmakers believe they are facing acute and immediate dangers, their time horizon contracts and they become more willing to pursue policies that pose long-term strategic risks. A decisionmaker’s belief that his state can manage the risks associated with a policy further encourages him to become risk acceptant. Notably, perceptions — rather than strict reality — determine future risk tolerance.

Defining and Determining Risk

What is “risk”? According to economists, risk occurs when “the randomness facing an economic agent presents itself in the form of exogenously specified or scientifically calculable objective probabilities.” In other words, decisionmaking under risk takes place only when actors have a “perfect knowledge of all possible outcomes associated with an event and the probability

distribution of their occurrence.” An oft-cited example is the game of roulette: gamblers know the probability distribution of winning and losing, and wager their bets according to these odds.

Economists differentiate risk from uncertainty. Frank Knight was the first scholar to make the distinction, suggesting in 1921 that risk “means in some cases a quantity susceptible of measurement,” whereas uncertainty is “non-quantitative.” An actor who does not or cannot know the probability distribution of outcomes and, consequently, cannot determine the optimal action is making decisions under uncertainty. As John Maynard Keynes writes, games of roulette are not “subject … to uncertainty,” whereas “the prospect of a European war is uncertain.”

Economic conceptions of risk and uncertainty, however, have limited application in everyday life. When individuals invoke the concept of risk, they rarely are alluding to situations in which a person has perfect knowledge of probability distributions. Distinctions between risk and uncertainty are academic, as “decisionmakers almost never have complete information about the outcomes associated with a foreign policy option and the probabilities of their occurrence.”

Indeed, when individuals mention “risk” they tend to refer to looming dangers and costs

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2 Vertzberger, Risk Taking and Decisionmaking, 19-20. See also Lopes, “Between Hope and Fear,” 255.
3 Knight, Risk, Uncertainty, and Profit, 19-20.
5 John Maynard Keynes. Quoted in Bernstein, Against the Gods, 229.
6 Taliaferro, Balancing Risks, 25. Yaacov Vertzberger similarly writes that the “deduction from the classic definition of risk … is not realistic. People tend first and foremost to associate risk with the content and nature of the outcome, that is, with outcome ambiguity (whether the full range of outcomes is known or unknown) and outcome value (whether the outcome is positive or negative, desirable or undesirable).” Vertzberger, Risk Taking and Decisionmaking, 20. Lisa Lopes has also pointed out that while research on risk tends to focus on two-outcome decisionmaking, actual decisionmakers “hardly ever have just two outcomes.” Lopes, “Between Hope and Fear,” 264. See also Taleb, Black Swan, 128. All models of decisionmaking under risk — even those that align more with ideas of uncertainty — account for the concept of probability. This is both scientifically and intuitively compelling: if individuals are making subjective judgments based on incomplete or informal data, they will still consider the likelihood of outcomes in their choices. See also Bernstein, Against the Gods, 170.
associated with a given decision. Scholars have certainly employed this interpretation: in their seminal work on game theory, John von Neumann and Oskar Morgenstern state that risk simply means the “worst that can happen under the given conditions,” while Jeffrey Taliaferro writes that risk refers to “situations where any action or lack of action may result in serious losses resulting from a great power’s own behavior, adversary or third party reactions, or other exogenous events.” These definitions of risk not only tend to be more useful to laymen, but they more generally reflect real-world actualities of decisionmaking under risk.

Regardless of disciplinary grounding, all definitions of risk must account for the various negative consequences that may arise from a choice. In this regard, ideas of “exposure” play an important role when examining issues of risk. A decisionmaker who is not exposed to a risk may have different priorities and strategies than an actor who is subject to the adverse consequences of a decision. As Ian Bremmer and Preston Keat tidily conclude, the “consequences of an event depend on who is exposed to it.”

This dissertation straddles the divide between academic and more common uses of the term “risk.” Following the work of Bremmer and Keat, risk here is considered the adverse consequences stemming from an actor’s decision, measured qualitatively by probability and impact. This definition blurs the lines between economic risk and uncertainty, as the decisions considered herein cannot have known probabilities.

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7 For a discussion of risk in the contemporary financial world, see Lewis, The Big Short, 70-78.
8 Von Neumann and Morgenstern, Theory of Games and Economic Behavior, 163; Taliaferro, Balancing Risks, 22.
9 Bremmer and Keat, Fat Tail, 5.
10 Bremmer and Keat, Fat Tail, 4.
Before proceeding to the discussion of frameworks, it is useful to define and limit the dependent variable of this study. This dissertation examines why decisionmakers knowingly pursue policies that pose a security risk over time. This study considers instances in which decisionmakers discounted future risks and made risky intertemporal tradeoffs; instances in which actors rationally believed that their actions would have no impact on their state’s security are excluded from the study. Because this dissertation focuses on international politics, only state exposure will be considered when evaluating risk over time. In other words, this study concentrates on issues of security (or strategic) risk, rather than matters of political risk (which concerns the “probability that policy choices will have adverse effects on the political position of the policy-making factions.”) As leaders’ beliefs change, their willingness to discount future risks should vary accordingly. Analysts should be able to measure this change by identifying instances when leaders refused to discount future risks, but then did so at a later time.

**Measuring and Analyzing Risk**

Scholars and analysts have developed a number of different frameworks for studying decisionmaking under conditions of risk. One of the first such models is that of expected utility. According to that framework, an actor knows the probability distribution of outcomes and will work to maximize his expected utility when choosing between options. The model assumes that individuals are rational, meaning they have a “stable, ordered, and consistent set of preferences, and that they have a stable way of making choices about how to use scarce resources in a manner

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13 Jeremy Bentham has described utility as “that property in any object, whereby it tends to produce benefit, advantage, pleasure, good, or happiness.” Bentham, *An Introduction to the Principles of Morals and Legislation*, 14.
that gives them the most utility from a given expenditure of resources.” The expected utility framework predicts that because decisionmakers are rational, they will consider that the “utility of a risky prospect is equal to the expected utility of its outcomes, obtained by weighting the utility of each possible outcome by its probability.” Actors should consequently choose the option that provides the highest level of expected utility.

Models of expected utility also predict that individuals will be risk averse, meaning, for example, that actors will choose a sure amount of money over a lottery ticket. Individuals do, however, purchase lottery tickets, where “the price of the ticket is more than the expected value.” Such behaviors weaken the predictive power of expected utility, and have compelled researchers to move beyond the framework in examining risk aversion and acceptance.

One prominent alternative to the expected utility framework is the risk return model (also known as the risk value model). Widely used in the financial world, the risk return framework assumes that an individual’s attitude toward risk reflects a “tradeoff between an option’s expected benefit, usually equated to expected value, and its riskiness.” The higher the value and the lower the risk, the more desirable a course of action becomes.

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17 “Risk aversion” and “risk acceptance” are commonly used terms in the study of risk, and are used frequently in this dissertation. As Taliaferro explains, they are not dichotomous, but rather best considered as existing on a continuum. Taliaferro, Balancing Risks, 27. Risk acceptance is used interchangeably with risk tolerance, which the U.S. Government defines as the “degree to which an entity is willing to accept risk.” U.S. Department of Homeland Security, “DHS Risk Lexicon,” 30. Attitudes toward risk are often portrayed by marginal utility functions: concave utility functions reflect risk aversion, convex functions portray risk acceptance, and linear utility functions show risk neutrality. Weber and Milliman, “Perceived Risk Attitudes,” 124, 126; Levy, “An Introduction to Prospect Theory,” 9.
18 Lopes, “Between Hope and Fear,” 258.
19 Kenneth Arrow attempted to reconcile the seeming contradiction in his Essays in the Theory of Risk-Bearing. See Arrow, Essays in the Theory of Risk-Bearing, 90-93.
The financial world has not only internalized risk return concepts, but has in fact inspired an entire industry dedicated to evaluating and managing risk (usually centering on financial losses, decreases in value, or volatility). Because risk is an inherent part of the economic landscape, it is rare for firms to eschew systematically opportunities that may expose them to adverse outcomes.\textsuperscript{21} More commonly, decisionmakers in firms make tradeoffs in risk taking. Lisa Meulbroek’s example of Disney’s Orlando theme park proves illustrative: by seeking to avoid risks posed by weather fluctuation, the company accepted the risks that its customers would not be willing to travel to Orlando or that increased costs of transportation would inhibit those who would otherwise come.\textsuperscript{22} Thus, decisionmakers may have concrete goals and reliable information about how to reach their goals, but even the most informed decisions are subject to risks and uncertainty.\textsuperscript{23} No choice is free from the dangers of risk: in deciding to follow a given path, an actor sacrifices his ability to pursue alternative ones. Such tradeoffs are an important and ever-present aspect of decisionmaking.\textsuperscript{24}

Unable to eliminate risk completely, actors can at most hope to pursue optimal strategies and mitigate known risks to the best of their ability. One widely employed technique in the financial world is diversification, in which money is allocated to different types of investments so that the investor can reap the benefits of decreased volatility of his holdings. Professionals in

\textsuperscript{21} Buehler, Freeman, and Hulme, “Risk Revolution,” 23; Meulbroek, “Integrated Risk Management,” 33-34. While risk managers in the financial world have created both qualitative and quantitative methods to help firms navigate and mitigate risk, most begin by asserting that risk is not inherently negative. A McKinsey & Company paper on the subject argues that risk is “neither good nor bad,” but rather “individual risks are good or bad for your company.” Meulbroek echoes this idea, noting that “[h]aving the capability to reduce risks does not automatically imply that the firm should reduce its risk.” Buehler, Freeman, and Hulme, “Risk Revolution,” 18; Meulbroek, “Integrated Risk Management,” 4.

\textsuperscript{22} Meulbroek, “Integrated Risk Management,” 26-27.

\textsuperscript{23} McDermott, \textit{Risk-Taking in International Politics}, 1-3.

\textsuperscript{24} Douglas and Wildavsky, \textit{Risk and Culture}, 18.
the financial world also commonly seek to mitigate risk through risk-transfers, including
derivatives and the pooling of risks through securitization. Investment banks in the recent past
have relied on a particular derivative instrument — credit default swaps — to limit exposure to
risk. These once-obscure tools became notorious when the U.S. housing bubble burst in the
autumn of 2008. That crash reinforced the fact that uncertainty plays an important and
dangerous role in risk management in the financial world. The economic crisis that followed
the mortgage bubble further demonstrated that some risks are so great that, if not effectively
mitigated or avoided, they can prove catastrophic.

Before moving on to a discussion of cognitive models, it is worthwhile to cite two works
that have concentrated on issues of catastrophic risk, which pertains to “events of low or
unknown probability that if they occur inflict enormous losses often having a large non-monetary
component.” In their book *The Fat Tail*, Bremmer and Keat describe the eponymous
phenomenon of events that are nearly impossible to predict, catastrophic in consequence, and
unlikely to happen, a potent combination that hampers an actor’s ability to mitigate the risks
posed by such an occurrence. Nassim Taleb’s “Black Swan” concept is similar. He notes that a
Black Swan event lies “outside the realm of regular expectations,” has high impact, and can
usually be understood only in hindsight. These events are highly relevant to this dissertation,
which seeks to examine why decisionmakers undertake risks that may have a low probability of
adverse consequence, but could prove greatly detrimental to the security of their state.

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Cognitive Models

According to most models of decisionmaking, actors evaluate a situation, determine a desired payoff (a “return”), and then plot the course of action that they believe will most likely enable them to achieve their aims. And yet human subjectivity profoundly influences this process. Individuals rarely conform to the principles of rationality because perception and judgment play integral roles in determining behavior.

Indeed, it is risk perception that serves as the key element in decisionmaking under risk. Risk perception is “as important as the risk itself”; it shapes how actors assess probabilities, outcomes, and alternative choices. Risk perception is an entirely subjective enterprise: the U.S. Department of Homeland Security defines it as the “subjective judgment about the characteristics and/or severity of risk” that may be “driven by sense, emotion, or personal experience.”

Because “subjective judgments of probability do not conform to the rules of probability theory,” models of expected utility fall short in their ability to evaluate risk and decisionmaking in a realistic way.

In order to study risk taking, we therefore must look to cognitive models and their explanations of risk perception. A person’s disposition and the environment in which he is operating can affect his perception of risk. The former includes a decisionmaker’s visceral, innate attitude toward risk, his motivation to achieve a particular outcome, and his understanding

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30 Douglas and Wildavsky, Risk and Culture, 5; Vertzberger, Risk Taking and Decisionmaking, 22.
32 Bremmer and Keat, Fat Tail, 13. See also Slovic, “Perception of Risk,” 220.
of outcome distributions. As noted above, social scientists describe individuals as either risk averse or risk acceptant. Qualitatively, it is useful to consider risk-averse individuals as those people who tend to give weight to the costs associated with a choice and strive to avoid risk, even if those risks are statistically unlikely, and risk-acceptant individuals as those actors who tend to see the advantages or excitement in risk taking.

In addition to disposition, risk perception is also dependent upon situational variables, as changes in an environment can compel an actor to recalibrate his risk calculus and take risks that he otherwise would have avoided. Risk perception is, in this sense, “dynamic,” as it is “likely to shift.” Indeed, changes in an environment — such as the shocks considered in this dissertation — can lead an individual to make contradictory choices about risk. The same person can view risk differently in dissimilar contexts. Decisionmakers may be inherently risk averse or risk acceptant, but those innate characteristics are subject to change in response to a shock in the environment. Environmental events may “influence risk-taking mostly by changing people’s perception of the riskiness and benefits of decision alternatives, rather than by affecting their willingness to take on more or less risk.” Thus, how an individual views risk may be a result not of expected returns or probabilities, but rather affective and cognitive processes.

Ultimately, risk selection is “highly subjective,” and depends on judgments that are contingent

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35 Lopes, “Between Hope and Fear,” 259.
37 McDermott, Risk-Taking in International Politics, 2.
38 Elke Weber and Richard Milliman note that long-shot horse betting proves illustrative in this regard: studies in psychology have shown that a “bettor’s perception of the riskiness of different choice alternatives may change dynamically with the experience of failure and resulting losses. … Thus, a person’s risk preference may remain the same over the course of the racing day (e.g., risk averse), but the perception of what constitutes a risky horse will change.” Weber and Milliman, “Perceived Risk Attitudes,” 129. For more on the analytical separation between risk preference and risk propensity, see Weber and Milliman, “Perceived Risk Attitudes,” 125, 142.
on cognitive biases and limitations.\textsuperscript{41} It is worthwhile to stress the role that bounded rationality plays in decisionmaking under risk. Bounded rationality pertains to the “cognitive limitations of the decisionmaker [that] force him to construct a simplified model of the world to deal with it. The key principle of bounded rationality is the notion of ‘satisficing,’ whereby an organism strives to attain some satisfactory, though not necessarily maximal, level of achievement.”\textsuperscript{42} These simplified models depend largely on subjective criteria — including biases and perceptions — that shape human action.\textsuperscript{43} As the framework that uniquely highlights such perceptions, cognitive models of decisionmaking are best suited for studying choice under conditions of risk.

\textit{Prospect Theory}

Daniel Kahneman and Amos Tversky have arguably played the paramount role in addressing the shortcomings of expected utility frameworks. Their model, known as prospect theory, is of particular relevance to this dissertation for a number of reasons. First, it foregrounds cognitive processes when evaluating decisionmaking under risk. Perhaps more applicably, the theory also helps explain how a decisionmaker’s aversion to loss can compel him to accept previously intolerable risks. These concepts play a foundational role in developing not only the following discussion of discounting, but also the key independent variable of this dissertation — shifts in the balance of threat.

In their work, the authors find that actors in the real world do not hold transitive preferences; instead, a “failure of invariance” occurs whereby individuals commonly

\textsuperscript{41} Plous, \textit{Psychology of Judgment and Decision Making}, 139; Douglas and Wildavsky, \textit{Risk and Culture}, 84.
\textsuperscript{42} Slovic, Kunreuther, and White, “Decision, Rationality, and Natural Hazards,” 5. See also Rosen, \textit{War and Human Nature}, 28.
\textsuperscript{43} Douglas and Wildavsky, \textit{Risk and Culture}, 80-81.
demonstrate inconsistent decisionmaking. While scholars such as Kenneth Arrow abide by the expectation that the “utility of a risky prospect is linear in outcome probabilities” and that individuals are risk averse, Kahneman and Tversky argue that actors are risk averse principally because “losses loom larger than gains.” The same decisionmaker tends to be more risk acceptant when facing a prospective loss, but risk averse if facing a potential gain. Robert Jervis sums up the concept by noting that “[l]osing ten dollars … annoys us more than gaining ten dollars gratifies us,” and thus individuals are more likely to act to keep their ten dollars than they are to gain the same amount.

Tversky and Kahneman’s discovery centers on the idea of a decision frame, which they define as the “decisionmaker’s conception of the acts, outcomes, and contingencies associated with a particular choice.” If a question is framed as a means of avoiding loss rather than seeking gains, individuals are more likely to choose the risky option. The importance of the concept of framing contrasts sharply with models of expected utility and Arrow’s idea of preference ordering: Tversky and Kahneman argue that, contra those theories, there is “much evidence that variations in the framing of options (e.g., in terms of gains or losses) yield systematically different preferences.”

The concept of framing is tied up inextricably with reference points, as frames of loss or

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49 Tversky and Kahneman, “Advances in Prospect Theory,” 298. Decisionmaking, they write, in fact takes place in two distinct phases: only after “acts, outcomes, and contingencies are framed” can the “subsequent phase of evaluation” take place. Tversky and Kahneman, “Framing of Decisions,” 454.
gain are always “relative to a neutral reference point.” This concept plays an integral role in defining the utility function of prospect theory: the “S-shaped” function is “defined over departures from a reference point, is concave in the domain of gains and convex in the domain of losses, and is steeper for losses than for gains.” An actor’s perception of risks and outcomes exists only “in relation to a reference outcome that is judged neutral. Variation of the reference point can therefore determine whether a given outcome is evaluated as a gain or as a loss.”

Status quo bias is an extension of loss aversion whereby actors exhibit a “strong tendency to remain at the status quo because the disadvantages of leaving it loom larger than advantages.” Loss aversion and the status quo bias combine to influence risk taking: actors will pursue risks that they usually would forgo in order to avoid or restore a loss to a status quo. In other words, they will deviate from what they regularly consider to be acceptable behavior and become more risk tolerant. As Kahneman and Tversky note, a “person who has not made peace with his losses is likely to accept gambles that would be unacceptable to him otherwise. The well known observation that the tendency to bet on long shots increases in the course of the betting day provides some support for the hypothesis that a failure to adapt to losses or to attain an expected gain induces risk seeking.”

It follows that when an individual faces a steep, negative departure from the status quo,

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52 Tversky and Kahneman, “Framing of Decisions,” 456. Echoing the work of Kahneman and Tversky, Tatsuya Kameda and James Davis find that actors exhibit an “asymmetric risk preference pattern as effects of losses and gains; individuals who have experienced losses recently will tend to prefer riskier alternatives than those who have not experienced such losses.” Kameda and Davis, “Function of the Reference Point,” 57, 70.
54 Kahneman and Tversky, “Prospect Theory,” 287.
he will exhibit a great degree of risk acceptance. What is more, the individual will become increasingly risk acceptant as he perceives himself deviating further from the status quo. Psychological studies have proven that there is indeed a “tendency for subjects to prefer riskier moves when they were in a bad position near the end of a round.”55 A decisionmaker who therefore believes that he is in such a position can be expected to become risk tolerant. That finding informs the dissertation’s examination of why policymakers may be willing — at times in contravention of stated preferences and past behavior — to pursue policies that pose long-term strategic risks.

Heuristics

Prospect theory marshals the idea of heuristics to explain decisionmaking. Heuristics refer to the mental shortcuts and strategies that individuals employ to “make sense out of an uncertain world.”56 Because decisionmakers suffer from bounded rationality, they must rely on these “fixed decision rules” that “reduce the complex tasks of assessing probabilities and predicting values to simpler judgmental operations.”57 This section briefly discusses some of the heuristics that are most salient to this dissertation. First, heuristics that affect probability assessments — availability and certainty effect — are introduced. Next, this section reviews heuristics that influence beliefs about risk management — optimism bias and illusions of control. This discussion of heuristics is critical to the development of a theory of risk and time in international politics: awareness and understanding of these cognitive processes allow analysts to comprehend why decisionmakers are loss averse, why they value present over distant outcomes,

55 Lopes, “Between Hope and Fear,” 277-78.
56 Slovic, “Perception of Risk,” 221.
57 Tversky and Kahneman, “Judgment Under Uncertainty,” 1124. See also Taleb, Black Swan, 8; Slovic, Kunreuther, and White, “Decision, Rationality, and Natural Hazards,” 5.
and why, consequently, they may be willing to discount future risks.

**Availability.** Perhaps the most well known and widely studied heuristic is that of “availability.”

The availability heuristic compels actors to “judge an event as likely or frequent if instances of it are easy to imagine or recall.”\(^{58}\) The easier it is for an actor to “retrieve” an instance in his mind, the more likely he will think it is to happen in the future, even if other instances are of equal or greater frequency.\(^{59}\)

There are a number of factors that determine the ease of recall. First, iteration can affect availability: the more frequent an event has been, the more likely actors are to assign it a high probability. The nature of an actor’s experience with a certain event — which Tversky and Kahneman call “salience” — can also affect his recall.\(^{60}\) If an actor personally watches a house burn down, that event will be more easily retrieved (and seem more likely) than if he reads about an act of arson in the newspaper.\(^{61}\) A subset of the availability heuristic is “vividness,” which refers to “how concrete or imaginable something is” or, relatedly, “how emotionally interesting or exciting something is, or how close something is in space or time. … Because vivid information is more ‘available’ and easier to recall than pallid information, it often has a disproportionate influence on judgments.”\(^{62}\)

Because individuals “assess the frequency of a class or the probability of an event by the ease with which instances or occurrences can be brought to mind,” the events that are more...

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readily available will seem more likely to occur in the future. In other words, because risk perception is “influenced (and sometimes biased) by the imaginability and memorability of the hazard,” actors may overestimate the probability of an adverse event, and be more risk acceptant to prevent that event from transpiring. For the purposes of this dissertation, it is notable that if an actor is experiencing (or has recently experienced) an adverse event, that event will be readily available and therefore guide his decisionmaking.

Certainty Effect. Another important cognitive bias is known as the “certainty effect,” whereby people overweight perceived certain outcomes relative to those that are merely probable. Jack Levy explains that the certainty effect can intensify the behaviors already predicted by prospect theory. “Risk-seeking in the domain of losses,” he writes, “should lead decisionmakers to take disproportionate risks to avoid certain losses, and risk aversion in the domain of gains should lead decisionmakers to be excessively eager to secure certain gains.”

The logic of this heuristic is rather intuitive: if an actor is certain an adverse event is going to occur, he will try to prevent it. This has tremendous ramifications for decisionmaking under risk: the heuristic suggests that a decisionmaker may be more willing to pursue a policy that poses a long-term risk if he believes that the policy can counter a perceived certain, negative

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64 Slovic, Fischhoff, and Lichtenstein, “Rating the Risks,” 119.
65 Scholars of international relations have employed this logic as well. In his work on analogies, Yuen Foon Khong has noted that “[s]tatesmen have consistently turned to the past in dealing with the present.” Khong notes that actors will “be strongly attached to historical lessons in which generational and personal effects reinforce one another. Thus, an entire generation of Europeans will remember Munich, but a British cabinet minister of the 1930s who opposed Chamberlain’s appeasement policy will be especially attuned to future Munichs.” Khong, *Analogies at War*, 33-34.
67 Levy, “Prospect Theory and International Relations,” 135-36. He elaborates that the “magnitudes of these losses involved need not be that large in order to induce risk-seeking behavior, particularly if the losses were perceived to be certain.” Levy, “Prospect Theory and International Relations,” 123.
event. Moreover, it suggests that when actors consider decisions, they will give more weight to countering a certain adverse event than to concerns over potential, or even probable, negative outcomes. This idea is critical to understanding why leaders may be willing to discount future risks, which — as discussed in the section on time — are inherently uncertain.

**Optimism Bias.** The “optimism bias” can similarly affect risk taking. This heuristic compels actors to exaggerate their strengths; experimental data show that a majority of people “believe themselves to be smarter, more attractive, and more talented than average, and they commonly overestimate their future success.” Optimism bias can compel individuals to become risk tolerant, as they delude themselves into believing they have the ability to avoid or mitigate the negative consequences of their actions.

**Control.** The Glass and Singer experiments of 1971 first demonstrated the “effects of control on task performance under aversive conditions,” specifically that when subjects believed “their behavior could effectively reduce shock duration,” their “subjective ratings of the painfulness of electric shocks … diminished.” As Herbert Lefcourt summarizes, “It seems evident that the belief that one can exercise some degree of control and can predict the occurrence of aversive stimuli has an ameliorating effect upon a person experiencing such stimuli.” In other words, the experiments revealed that when an actor believes he has control over a situation, he does not respond as sensitively to negative stimuli.

This finding has been applied directly to risk taking. In one of the most famous studies on the matter, James March and Zur Shapira found that decisionmakers’ perception of their ability

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to control and manage a risk directly shapes their perception of that risk. March and Shapira show that actors “avoid accepting risk by seeing it as subject to control” and “believe that risks can be reduced by using skills to control the dangers.”\footnote{March and Shapira, “Managerial Perspectives on Risk,” 1410. See also Sunstein, “Terrorism and Probability Neglect,” 121-22; Vertzberger, Risk Taking and Decisionmaking, 27; Fischhoff et al., “How Safe is Safe Enough?” 94.} This phenomenon in many ways serves as an outgrowth of optimism bias, as decisionmakers believe they “can change the odds, that what appears to be a probabilistic process can usually be controlled.”\footnote{March and Shapira, “Managerial Perspectives on Risk,” 1410.}

What is more, decisionmakers tend to “consistently exaggerate the amount of control they have over outcomes that are important to them — even when the outcomes are in fact random or determined by other forces.”\footnote{March and Shapira, “Managerial Perspectives on Risk,” 1414. Kahneman and Jonathan Renshon make the link between optimism bias and control. See Kahneman and Renshon, “Why Hawks Win,” 37-38.} Under this “illusion of control,” decisionmakers can become “somewhat more prone to accept risks than they might otherwise be.”\footnote{Kahneman and Renshon, “Why Hawks Win,” 37.} Because risk management depends on “maximizing the areas where we have some control over the outcome while minimizing the areas where we have absolutely no control,” individuals can grossly overestimate their ability to manage risk and, therefore, embark on policies that prove adverse.\footnote{March and Shapira, “Managerial Perspectives on Risk,” 1414.}

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\footnote{Bernstein, Against the Gods, 197.}
Time and its Inconsistencies

Issues of time further complicate studies of decisionmaking and risk, as actor preferences may vary at different points of time. Passages of time can very much alter an actor’s perspective and compel him to violate his own original standards of acceptable behavior. This is commonplace in everyday life: if a smoker quits lighting up in order to reduce his exposure to lung cancer, but then sneaks a cigarette one afternoon, he is violating his own past preferences.76

By establishing that a decisionmaker’s conception of time is subjective and fragile, this section aims to show that shocks can affect an individual’s perception of time. Moreover, it demonstrates that time itself can influence decisionmaking, as delays contribute to inconsistent preferences and discounting. These findings are of great value to this study, as they help explain why an individual may be willing to discount future risks.

Past, Present, and Future

Before discussing issues of “intertemporal choice” — which examine how individuals weigh costs, benefits, and tradeoffs across temporal dimensions — it is worthwhile to review some important concepts about time itself. Human conceptions of time are tremendously complex: while actors are generally aware of a past, present, and future, these constructs are not discrete. Rather, they are viewed by the human mind as a “stream,” as there exists a “continuous comparison, an almost constant oscillation from present to future to past and back, heedful of

76 Stephen Rosen notes: “People often realize that something is bad for them in the long run, even though it is pleasant when experienced. They know they should not indulge. But when that something is right in front of them and they must make a decision about gratification that will be delivered in the short term, they cannot adhere to their decision to do what is best for them in the long run. Examples abound. When I go to bed, I set my alarm clock for 4:00am so that I can work for two hours before breakfast, because I value the long-term benefits of getting the work done sooner. When the alarm clock goes off, however, I turn it off and go back to sleep.” Rosen, War and Human Nature, 144.
prospective change.” Just as an actor’s beliefs about the present are grounded in his remembrance of the past, so too does his future depend entirely on some combination of his past and present. This reasoning undergirds why predictions about the future tend to draw on the past and present so heavily, particularly those events that are most readily available.\footnote{Neustadt and May, \textit{Thinking in Time}, 251.}

And yet an actor’s vision of time is subjective, in large part because it is “inextricably bound up with anticipation and memory.”\footnote{Neustadt and May, \textit{Thinking in Time}, 251.} While physical time — the moving hands of a clock, the rising of the sun, or the transformation of seasons — exists, humans tend to conceive of time more subjectively. An individual’s experience of time very rarely aligns with the actual passage of time. It is experienced, cognitive time — rather than physical time — that “comes into focus when judgments and decisions are considered in a time perspective.”\footnote{Douglas and Wildavsky, \textit{Risk and Culture}, 86.}

The subjective nature of time is heightened by the fact that uncertainty is “embedded” in it.\footnote{Bjorkman, “Decision Making, Risk Taking, and Psychological Time,” 34.} In conceiving the future, an actor looks from a present state — where he believes or knows certain things to be true — out into the unknown future, where events may or may not transpire.\footnote{Lopes, “Between Hope and Fear,” 289.} Because the future is so wrapped up in the unknown, it is, as Jane Ebert and Drazen Prelec conclude, “fragile.” The “temporal dimension” is fragile both in the sense that an actor’s “choices are insufficiently sensitive to the temporal dimension” and that “such sensitivity that exists is exceptionally malleable. Certain manipulations can easily compromise it while others can easily enhance it.”\footnote{Lopes, “Between Hope and Fear,” 289.}

\textit{Discounting and Intertemporal Choice}

\footnote{Ebert and Prelec, \textit{“The Fragility of Time,”} 1423-24.}
The consequences of time’s subjectivity, uncertainty, and fragility are manifest in studies of intertemporal choice, which reveal that actors often have inconsistent preferences and that temporal delays can “affect the outcome distribution [and] the value function.” Delays of time often result in what is known as “time discounting,” defined simply as “caring less about a future consequence.” “Discounting,” explains Bruce Winterhalder, “is evident when an organism decides for a small reward immediately rather than a larger one at a later time; it assesses the effect of time delay on preference.”

Paul Samuelson was one of the earliest scholars of discounting. In 1937, he created the discounted utility model, the key element of which is that “all of the disparate motives underlying intertemporal choice can be condensed into a single parameter — the discount rate.” The model holds that “immediate and delayed consumption each has a fixed value, and that both the positive value of speeding up consumption and the negative value of delaying consumption should be equal to the difference between these values.” Discounted utility models thus predict that discount rates are constant over time.

This prediction, however, has proven erroneous, as studies have shown that discount rates do not remain constant, but rather decline over time; the “utility of future events is discounted

85 Frederick, Loewenstein, and O’Donoghue, “Time Discounting and Time Preference,” 352. Scholars have drawn attention to the difference between time discounting and time preference (the “preference for immediate utility over delayed utility”). This dissertation uses the term “discounting” to refer primarily to the former, as time preference is discussed herein as immediacy. Frederick, Loewenstein, and O’Donoghue, “Time Discounting and Time Preference,” 352.
86 Winterhalder, “Risk and Decisionmaking,” 437.
87 Frederick, Loewenstein, and O’Donoghue, “Time Discounting and Time Preference,” 351.
according to a hyperbolic, rather than compound, function."\textsuperscript{89} This discovery gave rise to the hyperbolic discount model, in which the “discount rate associated with a fixed time interval … is not constant … but declines as the interval becomes more remote. This leads to dynamically inconsistent choices … in which an individual does not choose according to plans that were optimal from an earlier vantage point.”\textsuperscript{90} Hyperbolic discounting shows that the “value of a reward is inversely proportional to the time delay in its delivery relative to the time of decision. It is this inverse relationship that yields the hyperbolic curve of expected value versus time.”\textsuperscript{91} Notably, hyperbolic discount models accommodate many of the previously discussed theories of cognitive models. Frederick et al. explain that “discount rates vary across different types of intertemporal choices: gains are discounted more than losses, small amounts more than large amounts, and explicit sequences of multiple outcomes are discounted differently than outcomes considered singly.”\textsuperscript{92}

Hyperbolic discount models have helped inform studies of intertemporal choice. In a common and basic experiment, subjects are asked to choose between a small reward to be received immediately and a larger reward to be received in the future. Not only are subjects more likely to pick a tangerine today over two in eight days, but even those few that pick the two tangerines are likely to “reverse that preference one week later, choosing one … immediately over two the next day.”\textsuperscript{93} Such experiments have shown that the “implicit discount rate over


\textsuperscript{90} Ebert and Prelec, “The Fragility of Time,” 1423.

\textsuperscript{91} Rosen, \textit{War and Human Nature}, 145.

\textsuperscript{92} Frederick, Loewenstein, and O’Donoghue, “Time Discounting and Time Preference,” 360.

\textsuperscript{93} Ebert and Prelec, “The Fragility of Time,” 1423.
longer time horizons is lower than the implicit discount rate over shorter time horizons.  

In other words, subjects are generally more willing to discount far-future rewards rather than near-future ones, particularly when they are under “time sensitive conditions.” These concepts play an important role in elucidating why a decisionmaker may be more concerned with immediate, rather than distant, outcomes, and why he subsequently may be compelled to sacrifice long-term security for short-term gains.

**Valuing the Present**

Why are actors so eager to forgo rewards that exist in the future, to sacrifice long-term benefits for short-term gains? To answer this question, scholars must first understand that it is the very idea of delay that makes the present seem more valuable than the future. It does so in two ways.

First, the present comes to appear more valuable than the future because of what is known as the “immediacy effect.” Actors prize “outcomes that are experienced immediately” and, as such, tend to “respond especially strongly to immediate costs and benefits,” even if those contradict their long-term interests. Second, delays in time also make the future seem less valuable because the future is bound up in uncertainty. Individuals tend automatically to associate delay with uncertainty, and therefore any forecasted events are subject to great doubt. As Paul Pierson notes, it is the “sizable time lag between actors’ actions and the long-term security of the outcomes” that makes the present seem more valuable than the future.

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consequences of those actions” that can bring about skepticism.\textsuperscript{97} Just as the certainty effect compels actors to “value disproportionately outcomes that are certain to occur,” so too does uncertainty lead them to devalue future unknown events, giving these events less weight when making decisions.\textsuperscript{98}

\textit{A Failure of Imagination}

An individual’s preference for the immediate combines with the uncertainty of the future to inhibit his ability to imagine a specific future outcome. This has important implications for decisionmaking over time, as these conditions lead an individual to devalue the future and make decisions that generally reflect present needs and desires. Numerous psychological studies have confirmed that the ability to imagine a specific future plays a critical role in determining a course of action. George Lowenstein and Jon Elster write that future discounting can be a result of an “inability to imagine the future in vivid and accurate detail,” and Thomas Cottle and Stephen Klineberg echo that “[a]nticipating the personal future implies at least two central processes. One must first of all be able to imagine events that have no concrete reality, and one must then confer a sense of reality on them by attributing them to the realm of the possible as distinguished from the purely fanciful world of wish-fulfillment.”\textsuperscript{99} The ability to imagine an event directly relates to time horizons and risk perceptions. “Long-term time horizons,” Stephen Rosen writes, “are associated with the ability to imagine the future consequences of our actions, and then

\textsuperscript{97} Pierson, \textit{Politics in Time}, 14-15. The connection between delay and uncertainty is so strong, in fact, that when researchers study intertemporal choice, they often must explicitly note to subjects that their “delayed rewards will be delivered with certainty.” Frederick, Loewenstein, and O’Donoghue, “Time Discounting and Time Preference,” 382.
\textsuperscript{98} Prelec and Loewenstein, “Decision Making over Time,” 773.
disciplining ourselves to act in accord with the imagined future.”

Studies of heuristics complement these theories of intertemporal choice. For example, a common or acutely experienced event will be retrieved readily and therefore influence how an individual visualizes the future. Events that are temporally proximate are more vivid, and therefore actors are more likely to value — and act on — those outcomes that are closer in time. Optimism bias and feelings of control can similarly interact with temporal delays to produce behaviors that are risk acceptant over the long term. Individuals see delayed losses as less daunting than immediate ones because they believe they can affect the outcome distributions and mitigate the magnitude of future losses. Moreover, actors also tend to believe that the “future would have better solutions for [their] problems than the present generation could devise.” This “kick the can” strategy compels decisionmakers to take on risks because they believe that a solution will present itself in the future.

Because actors are so firmly rooted in their present, their ability to marshal images about the future decreases the farther they look out over the temporal horizon. Individuals tend to “cognitively construe events in the distant future quite differently from events in the very near future: as abstract and pallid relative to a more concrete and vivid present.” What is more, the fragility of time allows people to discount the future and reorder their preferences effortlessly.

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104 March and Shapira, “Managerial Perspectives on Risk,” 1414; Shelley, “Gain/Loss Asymmetry,” 152.
The future’s ability to shape present behavior can collapse under the slightest weight.\textsuperscript{108}

The inability to imagine a future has direct implications for probability formation: the less realistic a future outcome seems, the less weight it is given in decisionmaking.\textsuperscript{109} Mary Douglas and Aaron Wildavsky maintain that “[n]othing influences the estimate of probabilities more than the sense of future time,” while Mats Bjorkman writes that “[t]ime gradually loses its realism the longer the time-perspective is. … Thus, future events may appear unlikely and more so the farther away from ‘now’ they are assumed to occur.”\textsuperscript{110} Marjorie Shelley explains that these temporal conditions have a direct impact on risk taking, as “many decisionmakers who are risk (or loss) averse in the short run will appear more risk (or loss) tolerant for delayed outcomes and that payoff timing is a dimension context that can influence risk preferences.”\textsuperscript{111} This follows what is known as “Miller’s Conflict Theory,” which “predicts that decisionmakers will choose more risky alternatives when outcomes are distant, and the reason is linked to a tendency to underweight distant negative outcomes relative to gain outcomes.”\textsuperscript{112} Thus, when negative outcomes seem less likely, actors are more willing to take on specific risks. This condition is exacerbated both in fat tail situations, where probabilities are low initially, and when there is a long delay to consequence.\textsuperscript{113}

In sum, increases in time delay lead to an accompanying increase in discounting of future risks. Experimental data have repeatedly shown that the “tendency to take risks increased if the

\textsuperscript{108} Ebert and Prelec, “The Fragility of Time,” 1425, 1435.
\textsuperscript{109} Ebert and Prelec, “The Fragility of Time,” 1436.
\textsuperscript{110} Douglas and Wildavsky, Risk and Culture, 85.
\textsuperscript{111} Shelley, “Gain/Loss Asymmetry,” 151-52.
\textsuperscript{112} Shelley, “Gain/Loss Asymmetry,” 128.
consequences of the decision were delayed.”\textsuperscript{114} Individuals will maintain stable risk aversions to certain behaviors, particularly when the consequences of such actions closely follow decisions; but where there is delay, they are more likely to discount those risks and become risk acceptant.\textsuperscript{115} This is doubly true as individuals move from a near- to far-future: “Distant negative consequences,” Yaacov Vertzberger notes, “are underweighted and perceived as less likely to occur; they therefore have only a minor impact on decisions. Short-term high-risk assessments are given much more weight than assessment of the accumulation of long-term risky outcomes.”\textsuperscript{116} Charles Noussaira and Ping Wu summarize that “as the time horizon becomes very long, it may be the case that the typical agent is risk neutral or that many agents become risk seeking in the domain of positive payoffs.”\textsuperscript{117}

\begin{tabular}{|l|l|l|l|}
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Why actors value present & Implications for short-term decisionmaking & Effect when facing time delay & Implications for future risk discounting \\
\hline
Immediacy effect & Actors seek resolution of immediate threats or dangers & Actors cannot imagine specific future outcomes & Distant adverse outcomes seem less likely, so more willing to discount future risks \\
\hline
Future is uncertain & Actors seek resolution of certain threats or dangers & Actors cannot imagine specific future outcomes & Distant adverse outcomes seem less likely, so more willing to discount future risks \\
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\end{tabular}

\textbf{A Theory of Risk and Time in International Politics}

To reiterate, the dependent variable in this study concerns a leader’s decision to knowingly pursue policies that pose strategic risks over time.\textsuperscript{118} Decisions to run strategic risks

\textsuperscript{116} Vertzberger, \textit{Risk Taking and Decisionmaking}, 26-27.
\textsuperscript{117} Noussaira and Wu, “Risk Tolerance in the Present and Future,” 407.
\textsuperscript{118} Variation in the dependent variable is evident in cases in which decisionmakers refused to discount future strategic risks. Given the functional issues examined in this dissertation, such instances include refusals to transfer nuclear technology, sponsor a terrorist organization, or send arms to a recognized adversary. Overall, as leaders’ beliefs change, their willingness to discount future risks should vary accordingly.
are especially curious given that state leaders tend to focus on the adverse consequences and dangers of the international arena. Statesmen, as Jervis notes, “often see imaginary dangers” and are “sensitive to threats to their security that critical observers regard as miniscule.”

Such conduct is perhaps understandable: charged with the responsibility of maintaining the safety of their citizens, leaders believe that “under-perception of threat is much more dangerous than is over-perception. In the former case, the state will be vulnerable to the other’s threats and use of force and the state’s security and other vital interests will be put at risk.”

This dissertation develops a theory of risk in international politics that links threat perception to risk tolerance: when decisionmakers believe that threats are acute and immediate, their time horizon contracts and they become more willing to pursue policies that pose long-term strategic risks. These leaders, in essence, strike Faustian bargains: for short-term gains, they become willing to endanger their states’ long-term security. Specific “shocks” are necessary to trigger a decisionmaker’s belief that he is facing an acute and immediate threat. This theory is based on the above discussion of cognitive models, which demonstrated an individual’s willingness to discount future risks if a policy allows him to avoid the costs of an imminent, dangerous threat. A decisionmaker’s belief that his state can manage the risks associated with his actions will further lend to his willingness to undertake long-term strategic risks. This is particularly true if the negative repercussions of his actions may not materialize in the near future.

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119 Jervis, Perception and Misperception, 372-73. See also Mercer, Reputation and International Politics, 10.
120 Jervis, “Understanding Beliefs and Threat Inflation,” 34.
121 “Acute” and “immediate” pertain to the severity and temporality of a threat. An acute — rather than negligible or blunted — threat is one that decisionmakers believe can be significantly damaging to their or their states’ interests. An immediate — rather than remote — threat presents dangers without delay and/or in the absence of intervening threats. A discussion of specific manifestations of such events concludes the relevant hypothesis section.
122 Such shocks may pertain to single events, or they may concern slower-burning “crises” that, after crossing a certain threshold, inform a decisionmaker’s threat perception.
future. The null hypothesis of this dissertation is the argument that leaders do not knowingly pursue policies that pose a long-term strategic risk. Subsequent discussion about the inherent riskiness of certain behaviors in the international system, coupled with the case study analysis of decisionmakers’ concerns, will be integral in disproving this null hypothesis.

This dissertation applies the above theory to the problems of nuclear assistance, state-sponsored terrorism, and arms transfers to recognized adversaries. While risk in international relations can take on a variety of forms, these three behaviors all pose long-term risks to a state’s security. Though the specific dangers associated with these policies are described in greater detail in the following chapters, it is worth noting that, by empowering other actors, these actions run the risk that the client will: 1) use received weapons, training, or technology against its former patron (“boomerang”); 2) change its future policies and align with a patron’s enemies (“betrayal”); or 3) no longer be susceptible to pressure from its former patron (“emancipation”). Risks may also stem not from the client, but from a third party that seeks to stop the flow of assistance to an enemy (“revenge”).

Threat Perception

Many of the most interesting debates in international relations have centered on the theme of threat perception.123 Scholars have sought to understand what states value, what shapes those values, and how they respond to agents or systemic conditions that may imperil their interests. The issue permeates nearly every research program in the field, and is particularly

123 One could place the field’s paradigm debates within this general framework: neorealists have argued that because states are fearful and distrustful, they must work to protect their security against ever-present threats; neoliberal institutionalists have countered that regimes and institutions can mitigate these threats and allow states to achieve absolute gains; and constructivists have shown that identities and other normative factors can determine whether an actor is deemed threatening.
germane to studies of risk perception. As noted above, a crucial component of risk is that of exposure: in weighing risky options, decisionmakers must consider not only the probability and impact of a risk, but who or what might be affected by adverse consequences.

This dissertation defines threat perception as the belief by an actor that the status quo of his interests — be they territorial, economic, reputational, etc. — is imperiled.124 Notably, scholars of international relations have demonstrated that threat perception in many ways depends upon perceptions of the immediate.125 Future, abstract threats cannot command the type of attention that such proximate threats do.

**Shocks.** A number of works in international relations have emphasized the importance of “shocks” in introducing threats and determining political outcomes. Paul Diehl and Gary Goertz, for example, draw on the evolutionary biology theory of punctuated equilibrium to explain the dynamics of enduring rivalries.126 Diehl and Goertz relay that species in nature “do not necessarily evolve in a linear and incremental fashion, but experience long periods of stability and experience change in a rapid and sometimes unpredictable fashion. Massive shocks are needed to upset that stability and provide windows of opportunity for new species to arise.”127

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124 This definition draws on a number of sources. Threat, according to the U.S. Department of Homeland Security, is a “natural or man-made occurrence, individual, entity, or action that has or indicates the potential to harm life, information, operations, the environment and/or property.” U.S. Department of Homeland Security, “DHS Risk Lexicon,” 33. Raymond Cohen posits that threat is the “anticipation of impending danger” and the only factor that is sufficient to mobilize defensive resources. Cohen, “Threat Perception in International Crisis,” 93, 95. Johan Eriksson notes that threats turn on a “sense of endangered values and a perceived inability to control events.” Eriksson, “Introduction,” 3. Vertzberger echoes that threats “have clear negative connotations: they involve the high likelihood of loss without gain.” Vertzberger, Risk Taking and Decisionmaking, 35.

125 In the development of his “current calculus theory,” Daryl Press argues that a “country’s credibility is not tied to its past behavior; when leaders assess credibility in a crisis, they focus on the balance of capabilities and the interests at stake in the current confrontation.” Press, Calculating Credibility, 20-21. Finlay et al. contend that strong, proximate enemies that are “engaging in activity immediately threatening, hostile to our interests, and requiring attention-activity on our part” pose a particularly acute threat. Finlay et al., Enemies in Politics, 2.

126 Thanks are due to Professor David Edelstein for suggesting the use of this work.

127 Diehl and Goertz, War and Peace in International Rivalry, 134.
the realm of international politics, Diehl and Goertz state that the “policy attitudes of leaders and elites are relatively stable of time and are disrupted only by dramatic shocks.”¹²⁸ In other words, policymakers can have long-held and stable preferences — not supplying another state with the technological capabilities to destroy it, for example — but those preferences can be “dislodged” in the aftermath of a sufficient shock.¹²⁹

Other scholars in the field have similarly highlighted the role of shocks in bringing about changes to policy preferences. Johan Eriksson, for example, asserts that “focusing events” create conditions of “drama and urgency,” which in turn lead “previously stable conditions [to] become aggravated.”¹³⁰ Once aggravated, frames of threat can move from “continuity [to] change.”¹³¹ Jeffrey Legro also affirms that external shocks may alter previously stable policy preferences. Writing that the effect of political shocks depends entirely on “preexisting structures,” Legro argues that the “experienced consequences of critical events” are a necessary component in causing the “collapse of the reigning orthodoxy.”¹³² Notably, these arguments cohere with the preceding discussion of cognitive processes. “Changes in the environment, and especially the appearance of novel stimuli,” write Elke Weber and Eric Johnson, “introduce the possibility of opportunity and/or threat.”¹³³

Fear and Corrective Action. At the individual level, the introduction of such a threat can activate

¹²⁸ Diehl and Goertz, War and Peace in International Rivalry, 135. A shock is a “dramatic change in the international system or its subsystems that fundamentally alters the processes, relationships, and expectations that drive nation-state interactions,” including world wars, changes to territory, and shifts in the balance of power. Diehl and Goertz, War and Peace in International Rivalry, 221, 224.
¹²⁹ Diehl and Goertz, War and Peace in International Rivalry, 138, 139-40.
¹³² Legro, Rethinking the World, 28-29. Taleb’s Black Swan theory also rests on the idea that nearly “everything in social life is produced by rare but consequential shocks and jumps.” Taleb, Black Swan, xxix.
fear, a “visceral emotional state, as when we believe ourselves to be in acute and imminent danger.”¹³⁴ Carol Gordon and Asher Arian note that “when one feels very threatened, the decision-making process about policy is dominated by emotion rather than logic or rational considerations.”¹³⁵ Fear is an ingrained mechanism for survival. “It is adaptive to experience fear,” writes John Duntley, as it “allow[s] individuals to effectively address the danger they face.”¹³⁶

Indeed, fear, particularly where caused by dramatic or urgent events, motivates actors to take some sort of countervailing action.¹³⁷ Scholars of behavioral economics and cognitive psychology have repeatedly found that “shocks” can change not only an actor’s preferences, but his perceptions of what might constitute a risk.¹³⁸ Even a cursory glance at major negative events shows that in their aftermath, actors work desperately to find a solution to the problem: the bursting of a dam will lead (often immediately) to reformulated flood planning policies; a school shooting will bring about calls for stricter gun control; an explosion at a nuclear plant will raise alarms about the safety of nuclear power.¹³⁹ In each of these instances, actors faced with an adverse outcome feel compelled to “do something” to escape a current situation or prevent a similar occurrence from happening in the future. The principle applies also to decisionmakers who still have a chance to avoid a negative event through the implementation of a short-term fix (at times termed a “Band-Aid” solution in the policy world). Often these policies do not reflect long-term strategic planning, but rather exemplify the short-term fix that may rectify an

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¹³⁴ Elster, Alchemies of the Mind, 233.
¹³⁶ Duntley, “Adaptations to Dangers from Humans,” 236.
¹³⁸ Slovic, Kunreuther, and White, “Decision, Rationality, and Natural Hazards,” 7.
¹³⁹ Slovic, Kunreuther, and White, “Decision, Rationality, and Natural Hazards,” 7-8.
immediate problem.

Such corrective actions rarely, if ever, account for long-term repercussions. Instead, they aim at avoiding or countering current and acute dangers.\textsuperscript{140} What is more, these corrective actions correlate to greater risk acceptance: an actor who finds his “back to the wall” may be more willing to undertake measures he previously avoided if he believes such behavior will ensure his immediate survival. Experimental data have indeed confirmed that individuals tend to overlook statistical probabilities and engage in future discounting when they feel threatened or afraid.\textsuperscript{141}

Drawing on the above theories, this dissertation posits that the introduction of a threat can create a shock that increases an actor’s risk acceptance.\textsuperscript{142} Scholars have long argued that the “stronger the threat, the more belligerent the policy choice.”\textsuperscript{143} It is not a leap in logic to extend this argument and assert that when a decisionmaker faces an acute and immediate threat, he becomes more willing to pursue policies that pose strategic risk over time if those actions address the short-term dangers he faces. Again, this process is intensified when the consequences of the risk taking are delayed. Under a condition of crisis or duress, a decisionmaker loses his ability to imagine the future clearly and “anticipatory images will lose their power to motivate present behavior.”\textsuperscript{144} These conditions make actors “prone to produce faulty and incomplete risk assessments,” often taking risks over time that they would otherwise have avoided.\textsuperscript{145}

This dissertation seeks to pinpoint which variables best explain why leaders pursue

\begin{footnotesize}
\begin{enumerate}
\item Weber and Johnson, “Mindful Judgment and Decision Making,” 57; Jervis, Perception and Misperception, 373.
\item Duntley, “Adaptations to Dangers from Humans,” 242.
\item Berejikian, International Relations under Risk, 49.
\item Gordon and Arian, “Threat and Decision Making,” 196. See also Jervis, “Understanding Beliefs and Threat Inflation,” 27.
\item Klineberg, The Present of Things Future, 20.
\item Vertzberger, Risk Taking and Decisionmaking, 47.
\end{enumerate}
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policies that pose a security risk over time. This dissertation argues that an adverse shift in the balance of threat best explains such risk taking in international politics, and that a decisionmaker’s belief in his ability to manage those risks complements that motivation. This probabilistic argument further maintains that all leaders, ceteris paribus, should hold similar beliefs in comparable situations. Three alternative explanations — domestic politics, trust, and prestige — can at times shed light on future risk discounting, but do not apply convincingly across historical cases.

**Hypothesis One: Shifts in the Balance of Threat**

This dissertation first turns to neorealism to explain why decisionmakers pursue policies that pose strategic risks over time. According to realists, decisionmakers do what they must to address the threats their states face; the realities of global politics can force leaders to act in the short-term interest of their states. Shocks in realism pertain to an adverse shift in the balance of threat, which can compel leaders to pragmatically trade long-term security for short-term gains.

The tenets of neorealism are set out by Kenneth Waltz in his seminal *Theory of International Politics*. In that work, Waltz outlines a structural model of the international system, which is based on an ordering principle of anarchy and the distribution of material capabilities among states.\(^{146}\) With no government to impose order, the condition of anarchy — defined as the “constant possibility that force will be used” — creates a system of “self-help” in which states can depend on no other actor to ensure their survival.\(^{147}\)

Existing in an anarchic, uncertain world of self-help and power politics, states survive by engaging in balances of power and emulation; those who do not respond appropriately to


\(^{147}\) Waltz, *Theory of International Politics*, 102, 111, 113.
systemic pressures risk their own survival. In this regard, threats emerge from “asymmetries of power,” as a lack of government to stop war means that states must believe that any actor with the capacity to harm is threatening to their survival.\(^ {148}\) To counter such threats, states can balance internally by building up arms or externally through the creation and maintenance of alliances.\(^ {149}\) Because neorealism is a systemic theory with states as units, shocks can occur only in the external environment.

Waltz’s realist successors have built upon the foundation laid by his *Theory of International Politics* and, over time, a number of different variants of realism have emerged.\(^ {150}\) This dissertation aligns most closely with a strand of realism known as “balance of threat” theory, first put forth by Stephen Walt. In his 1985 response to Waltzian neorealism, Walt seeks to answer why states choose to bandwagon, because doing so always carries the risks that a state will have diminished influence or that the hegemon may stop acting benevolently. He finds that rather than checking concentrations of power in the international system, states work to counteract the greatest threat they face. In other words, states balance not against “power alone,” but rather against “the most threatening power,” and they determine threat by measuring aggregate power, proximate power, offensive intentions, and offensive capabilities.\(^ {151}\)

This emendation to Waltz’s theory sets the groundwork for studying the impact of a shifting threat environment on risk taking. This dissertation draws on Walt’s theory to argue that a shift in the external threat environment can alter a decisionmaker’s risk calculus. A


\(^{149}\) Waltz, *Theory of International Politics*, 118.


\(^{151}\) Walt, “Alliance Formation and the Balance of World Power,” 9-10.
decisionmaker may take on a long-term strategic risk in response to a shifting threat environment in part because he is more concerned with the resolution of an immediate problem than with potential future dangers.

Developments in realism have helped paint a clearer picture of such shifts in the threat environment. To begin, realists have argued that because states exist in an anarchic and uncertain world, they are primed to believe that other actors harbor malicious intent. The conditions of the international system “encourage exaggerated perceptions of threat to the extent that they rely on worst case analysis.” Leaders are therefore prone to “overestimations of threats [that] are most likely to happen at times of increased uncertainty and perceived high risk.”

Because states are so guarded against ever-present threats and dangers, they are attuned to sensing what Ned Lebow calls “windows of vulnerability,” times at which an adversary might capitalize on its military advantages. “When perceptions of imbalance are wedded to fears of windows of vulnerability,” Lebow writes, “threat perception becomes more exaggerated still.” Relatedly, realists have shown that rapid shifts in the distribution of threat can serve as a particularly powerful shock to the status quo, creating windows of vulnerability for states.

The tenets of realism can help elucidate why decisionmakers may be inclined to discount future security risks. Because states are principally concerned with their current threat

156 Barry Posen, for example, contends that a post-imperial order is comparable to an emerging anarchy, wherein an acute security dilemma results in windows of vulnerability. Posen, “The Security Dilemma and Ethnic Conflict,” 27-47. Robert Powell similarly notes that “[r]apid shifts in distribution of power undermine peaceful settlement,” as such shifts limit the credibility of commitments. Powell, “War as a Commitment Problem,” 195. What is more, the relationship between acute threats and realist concerns over relative gains has in fact been proven through experimental methods, which have shown that a “high level of threat perception increases the salience of relative gains and decreases the probability of cooperation.” Rousseau, Identifying Threats, 54.
environment and often face immediate threats that demand attention, they find it difficult to consider the long-term consequences of their actions. Moreover, responses to external threats are often time-sensitive; policymakers must meet serious challenges “before time [runs] out and such a response [becomes] unrealistic.”

Rosen affirms that sharp threats such as war shorten a leader’s time horizon; they “focus … the attention of rulers on the short term.”

Realism further explains the preference for the immediate by suggesting that states pursue long-term strategic risks because their future position depends on their actions today. If leaders believe they have a fleeting opportunity to maintain superiority over or parity with an adversary, they may become risk tolerant, even if a policy presents negative externalities in the future. The future, in other words, is seen only through the lens of the present.

When evaluating a risk, a decisionmaker may be more risk tolerant toward empowering another agent if he believes that is the most effective way to counter an immediate threat posed by another external actor. Realism posits that states will somehow respond to an increase in the threat environment. The “rise of new threats (or the growth of old threats) causes nations to seek additional security,” writes James Morrow. “The greater the threat, the greater the demand for an increase in security.”

Given the scope of this dissertation, it is noteworthy that such a shift in the threat environment can trigger alliance formation. Thus, a leader considering the transfer

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159 Examining why states go to war despite the short-term gains of avoiding conflict, Michelle Garfinkel and Stergio Skaperdas argue that states ultimately realize that “in conflictual situations, the present affects the future in ways that fundamentally change the initial conditions of the future. Specifically, doing well relative to your opponent today enhances your chances of doing better in the future.” Garfinkel and Skaperdas, “Conflict without Misperceptions or Incomplete Information,” 800.
161 Glenn Snyder writes that “an alliance possibility does not materialize until at least two states perceive that they are better off acting jointly than separately. This happens … when they both feel sufficiently threatened by some
of nuclear material or conventional arms, for example, may do so because he believes that will somehow rectify an adverse shift in threat that currently imperils his state’s interests. He therefore discounts future security risks because his state’s current position is jeopardized.

It is important to note, however, that realism by itself cannot explain future risk discounting. As a rationalist theory, realism predicts that actors will have transitive and unvarying preferences; cognitive psychology is needed to account for altered preferences and temporality in decisionmaking. When actors knowingly pursue policies that pose long-term strategic risks — particularly those that may outweigh short-term benefits — they often violate the tenets of rationality. As such, this dissertation draws on the above discussion of cognitive psychology to develop its hypothesis of a shifting threat environment.

In sum, cognitive psychology nuances realism to help explain why a shifting threat environment — the introduction of an acute and immediate threat to a state’s interests — may cause state actors to pursue policies that pose strategic risk over time. The condition of anarchy creates, in the words of Jack Snyder, a “substratum of insecurity that is intensified and focused by particular threats and enmities. … Structure generates pervasive fears and indeterminate options; particular interests and conflicts focus the fears and narrow the options.”

Focused fears and narrow options combine to produce myopic behaviors that may pose security risks over time.

third state or alliance.” Snyder, Alliance Politics, 144. Diehl and Goertz saliently note that a “change in the power distribution among major powers may shift traditional allegiances, and one’s former rival may now become an ally against a new threat.” Diehl and Goertz, War and Peace in International Rivalry, 224-25. See also Morrow, “Arms Versus Allies,” 208.

Snyder, Alliance Politics, 62.

As A. Trevor Cramer and Jane Thrall summarize, state “leaders are … coping with international threats that are unknowable and largely unpredictable. Leaders are acting responsibly in an uncertain and anarchic system where states must constantly search for security. It is a tragic reality that leaders’ actions and frequent over-reactions often
This dissertation relaxes the neorealist assumption that states form the key units of study and instead focuses on the decisionmakers who lead those states. Still, this dissertation draws on realist theory and cognitive psychology in the formulation of its first hypothesis: *Leaders of a state that is facing an adverse shift in the balance of threat are more likely to pursue policies that pose a security risk over time.* This dissertation examines whether a state took on a long-term risk in response to a shifting threat environment — one that presented an acute, rather than negligible or insignificant, threat — and, relatedly, whether decisionmakers appeared more concerned with the resolution of an immediate problem than with potential future dangers.\(^{164}\)

A number of predictions stem from this first hypothesis. To begin, it predicts that a decisionmaker will discount future strategic risks when he believes that his state faces a recent or imminent military defeat. Additionally, he will discount future risks when an adversary appears poised to attack his state militarily, attacks or occupies his state, or issues a credible, conventional military or nuclear threat against his state. That threat can be verbal or demonstrative — the mobilization of army units to a border or the sending of a fleet to a target’s shores can be effective tools in communicating threats, and are considered pertinent herein. Perceived events, even if they do not materialize, also alter a decisionmaker’s risk calculus and compel him to become risk acceptant. Such events include an adversary’s threat to attack an area in his state’s sphere of influence, to undermine his state’s position in a sphere of influence, or to harm a valued ally. While both real and perceived events may increase an actor’s risk tolerance,

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\(^{164}\) To identify variation in shifts in the balance of threat, analysts should be able to see that a decisionmaker does not perceive an immediate or acute threat to his state’s interests at one point in time. Variation is present if that decisionmaker believes that his state’s interests are, at a subsequent time, acutely and immediately endangered.
it is important to note that perception of such threats is a sufficient cause for future risk discounting.

**Hypothesis Two: Risk Management**

This chapter has explained that an actor’s belief in his ability to manage risks may influence his assessment of a given course of action. Indeed, ideas of risk management — usefully defined by the U.S. government as the “process of identifying, analyzing, assessing, and communicating risk and accepting, avoiding, transferring or controlling it to an acceptable level at an acceptable cost” — play an important role in determining risk acceptance and aversion.\(^{165}\)

And yet scholars of international relations and other social sciences have largely excluded ideas of risk management from studies of risk taking.\(^{166}\) This is regrettable, as analysts can use the concept to study not only the decision to take on a risk, but how actors seek to manage and mitigate that risk over time.\(^{167}\)

Such efforts to reduce the likelihood of adverse consequences can be “implemented prior to, during, or after an incident, event, or occurrence.”\(^{168}\) As such, the variable of risk management in this dissertation has two, equally important components. The first — ex ante risk management — is drawn from neoliberal institutionalism and international political economy, and suggests that decisionmakers are more willing to run risks when agents credibly commit to stable foreign policies. The second component of the variable is ex post risk management, meaning that an actor attempts to exert control over potential risks after a decision has been made.

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\(^{166}\) Alexander George is one of the few scholars to make mention of the risk management idea. He explains in his “Operational Code” that “Soviet leaders have displayed considerable confidence in their ability to control and avoid quite unacceptable, more distant risks. … Soviet understanding of the ways in which undesired risks could be calculated and controlled often constituted an advantage.” George, “The Operational Code,” 214-15.
\(^{167}\) See Weber and Milliman, “Perceived Risk Attitudes,” 129; Bernstein, Against the Gods, 217.
made and while the policy is being implemented. Combined, both of these approaches speak to the larger cognitive belief held by an actor that he can affect the probability and impact of adverse outcomes, which in turn leads him to pursue policies that pose a future security risk.\footnote{The U.S. Government sees probability as the key factor in risk mitigation, defined as the “application of measure or measures to reduce the likelihood of an unwanted occurrence and/or its consequences.” U.S. Department of Homeland Security, “DHS Risk Lexicon,” 29.}

**Ex Ante Risk Management**

Ex ante risk management rests on the idea that decisionmakers can make informed bets when taking risks. By choosing to run risks with actors who appear to have stable policy preferences, decisionmakers believe they can decrease the probability of adverse outcomes. Drawing on neoliberal institutionalism and international political economy, this section argues that institutions and costly signaling — both of which pertain to credible commitments — increase a decisionmaker’s future strategic risk acceptance.

Under the assumptions employed by this dissertation, state leaders looking out onto the international landscape face daunting realities. An anarchic environment in which self-interest reigns, the international system is a difficult arena to achieve confidence or, consequently, cooperation. Realists have attempted to capture these dynamics in their use of the Prisoner’s Dilemma game, in which a rational actor’s optimal action is to defect. The game showcases why states remain wary of others’ commitments; problems of time inconsistency and asymmetric information deter trust in others. As Joseph Grieco comments, states in a realist world “worry that today’s friend may be tomorrow’s enemy in war, and fear that achievements of joint gains that advantage a friend in the present might produce a more dangerous potential foe in the future.
As a result, states must give serious attention to the gains of partners. In empowering an actor in the present, states run the risk that their partner may betray them, change future policies, or act otherwise opportunistically. These fears can be considered a problem of credible commitment; a lack of predictability causes states to act guardedly and be generally risk averse in their dealings with other actors. Lisa Martin adequately summarizes that “credibility is a central problem in the organization of cooperation.”

Scholars of the neoliberal institutionalist school, however, argue that cooperation can be facilitated through institutions and regimes. Neoliberals ground their assumptions in the same principles of anarchy, self-interest, and power politics as their neorealist counterparts, but contend that institutions can mitigate the effects of anarchy by producing predictable and regularized behavior. Robert Keohane’s *After Hegemony* was one of the first works to detail these arguments. In that book, Keohane theorizes that regimes lower transaction costs, increase information (and consequently reduce uncertainty), create issue linkages, and punish illegitimate behavior. States participate in regimes because regimes help states pursue their own self interest and allow them to achieve gains that otherwise would have been lost in a realist world.

In addition to this functional theory of regimes, theories of iteration have emerged in reaction to realist pessimism about global affairs. Scholars have shown that one way to escape the Prisoner’s Dilemma is to introduce repeated play. Robert Axelrod notes that what “makes it possible for cooperation to emerge is the fact that the players might meet again. This possibility

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172 Keohane, *After Hegemony*, 84-109. Neoliberal scholars have subsequently built upon these theories: Helen Milner explains that the establishment of regimes and institutions facilitates gains by ensuring that the distribution of gains is balanced, while Jervis asserts that institutions not only reduce uncertainty and allow for predictable and regularized behavior, but can actually change the preference order of countries. Milner, “International Theories of Cooperation among Nations,” 466-96; Jervis, “Realism, Neoliberalism, and Cooperation,” 42-63.
means that the choices made today not only determine the outcome of this move, but can also influence the later choices of the players. The future can therefore cast a shadow back upon the present and thereby affect the current strategic situation.”

Studies in international political economy (IPE) have built upon many of these foundational concepts. What is more, works in IPE have proven particularly instructive for studies of risk management, as they tend to examine issues of credibility and predictability. In their study of foreign direct investment (FDI), for example, Tim Büthe and Helen Milner write that because “governments can alter the policy environment faced by investors, those who seek to attract FDI must find ways to assure private investors that their investments can prosper.”

Nathan Jensen similarly writes that after an investment is made, the “firm is subject to policy change or reversal by the central government.”

Dani Rodrik also speaks to problems arising from credible commitments and stable policies in his study of economic reform, stating that “there might be a genuine time-inconsistency problem for the government: its optimal ex-post strategy may differ from its optimal ex-ante strategy.”

These dynamics are shaped in part by asymmetric information, as actors “may be in the dark about the true objectives of the government in power, or may ‘confuse’ it with an alternative government whose objectives differ.”

An overarching theme in the literature of international political economy is that actors are

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173 Axelrod, *Evolution of Cooperation*, 12. Kenneth Oye followed that iteration is a key factor in determining whether cooperation can occur; the longer the shadow of the future, the less likely states are to cheat. Oye, “Explaining Cooperation under Anarchy,” 1-24. Charles Lipson echoes that if “cooperation is to arise in the institutionally arid setting of the Prisoner’s Dilemma, its sources often lie in the game’s environmental context or its repeated play.” Lipson, “International Cooperation in Economic and Security Affairs,” 4.


176 Rodrik, “Promises, Promises,” 757.

more inclined to take on the risks of cooperation when they believe their partner will have predictable and stable policy preferences into the future.\textsuperscript{178} States hoping to gain the confidence of others will take a variety of steps to mitigate the appearance of risk, usually by way of making it difficult or costly to change policies in the future. Credibility in many ways depends on a state’s ability to reduce “possible future incentives to reverse policies and making it more difficult to change policies in the future if the temptation arises.”\textsuperscript{179}

Those actors assessing the strategic risk of cooperation generally assume that it is in the long-term interest of a state to avoid breaking these commitments.\textsuperscript{180} Among other negative consequences, states fear damage to their reputation as a result of reneging on commitments.\textsuperscript{181} Reputations are used as a currency in the international system; they can “predict or explain future behavior” and therefore inform third-party threat and risk assessments.\textsuperscript{182} Actors with negative reputations can expect that many other members of the system will be hesitant to cooperate with them, as “[r]eneging or ex post rejection of an international agreement also generates costs by affecting interactions with governments and private actors who are not a party to that particular agreement.”\textsuperscript{183}

These logics have important implications for risk taking in international politics. When actors perceive commitments as credible, they believe that the probability of adverse events decreases and consequently become more willing to undertake policies that may otherwise have

\textsuperscript{178} Rodrik notes that in creating credibility, the “predictability of the incentives … is generally of much greater importance than the structure of these incentives.” Rodrik, “Credibility of Trade Reform,” 2.
\textsuperscript{179} Martin, “Credibility, Costs, and Institutions,” 417.
\textsuperscript{180} Martin, “Credibility, Costs, and Institutions,” 418.
\textsuperscript{181} Reputation, according to Jonathan Mercer, is a “judgment of someone’s character (or disposition) that is then used to predict or explain future behavior.” Mercer, Reputation and International Politics, 6.
\textsuperscript{182} Mercer, Reputation and International Politics, 6-7.
\textsuperscript{183} Büthe and Milner, “Politics of Foreign Direct Investment,” 746.
seemed too risky. Decisionmakers may therefore empower other actors even in spite of fears of relative gains, boomerangs, or betrayal.\(^\text{184}\) Indeed, states may ultimately be more willing to take strategic risks that center on the empowerment of other actors when they believe those actors will have predictable, stable behaviors that align with the interests of the supplier state.

**Institutions.** Actors may rely on institutions to manage risk ex ante. States participating in institutions stake their reputations on a promise to act predictably. In these forums, breaking a commitment imposes costs on a violator’s reputation and therefore inhibits its ability to reap future gains; the daunting prospect of a devalued reputation “promotes compliance.”\(^\text{185}\) Decisionmakers therefore may look at the institutional behavior of a state as an indicator of credible commitments.\(^\text{186}\)

Beth Simmons affirms that an international agreement is a “bid to make a credible commitment to a particular policy stance. The acceptance of treaty obligations raises expectations about behavior that, once made, are reputationally costly for governments to violate.”\(^\text{187}\) Such international agreements, including treaties, are one form of institutions that can boost credibility and consequently make cooperation seem less risky; agreements can be valuable indicators of future behavior because they “raise the political costs of noncompliance. … [These] pledges are as close as states can come to precommitment to a contractual exchange of promises.”\(^\text{188}\) These concepts play a formative role in developing a risk management explanation for future strategic risk discounting in international politics: if a decisionmaker deems that a

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\(^{184}\) Martin, “Credibility, Costs, and Institutions,” 407; Rodrik, “Credibility of Trade Reform,” 1.  
\(^{185}\) Lipson, “Why are Some International Agreements Informal?” 509.  
\(^{186}\) Simmons, “International Law and State Behavior,” 820; Lipson, “Why are Some International Agreements Informal?” 508.  
\(^{187}\) Simmons, “International Law and State Behavior,” 819.  
\(^{188}\) Lipson, “Why are Some International Agreements Informal?” 508-9.
potential partner has credibly committed, he may be more inclined to empower that actor despite
the long-term risks of boomerang, betrayal, and emancipation. Indeed, by choosing to run risks
with actors who sign on to institutions — and therefore appear to have stable policy preferences
— decisionmakers demonstrate their belief that they can decrease the probability of adverse
outcomes.

International political economy provides a number of compelling and practical studies on
these issues. In their work on foreign direct investment, Büthe and Milner explain that investors
are hesitant to commit capital to a foreign project because they fear a host government may
change existing policies to harm investors’ interests. States thus pursue preferential trade
agreements, which “provide mechanisms for making commitments to foreign investors about the
treatment of their assets, thus reassuring investors and increasing investment. These international
commitments are more credible than domestic policy choices, because reneging on them is more
costly.”¹⁸⁹ Charles Lipson similarly argues that fears of future betrayal may be assuaged by the
signing of agreements, which are ultimately “promises about future national behavior.”¹⁹⁰ While
informal agreements may be less credible, they do provide flexibility and “can be adapted to
meet uncertain conditions and unpredictable shocks.”¹⁹¹

International organizations are another type of institution that allows states to indicate
that they are willing to constrain their own “future maneuvering room.”¹⁹² In their study of the
General Agreement on Tariffs and Trade (GATT), Robert Staiger and Guido Tabellini write that
membership in an international organization not only allows states to make promises that would

¹⁸⁹ Büthe and Milner, “Politics of Foreign Direct Investment,” 742.
¹⁹⁰ Lipson, “Why are Some International Agreements Informal?” 498.
¹⁹¹ Lipson, “Why are Some International Agreements Informal?” 500.
¹⁹² Rodrik, “Credibility of Trade Reform,” 14.
otherwise have been unpalatable to domestic audiences, but enables them to adhere to those pledges as well. Büthe and Milner’s study on foreign direct investment also cites membership in international organizations as a way for states to relay that they “will not change their policies in ways that reduce the value of the investments.” Martin echoes that “[m]aking threats and promises within an institutional framework significantly increases the audience costs of reneging.” Like the previous theories, Martin’s mechanism relies on the fact that a state making a commitment will pay significant costs for violating its duties or reneging.

Again, these authors emphasize that the true value of institutions is their ability to bring credibility to promises about future behavior; through monitoring, identification, and punishment for defection, institutions can “diminish the likelihood that [a state] will be tempted to abandon or reverse the reform by altering its future incentives to do so.” Breaking or reneging on agreements generates reputational costs, and therefore self-interested states should seek to avoid those costs by adhering to the deals that they have made.

Costly Signaling. A state seeking to gain the confidence of another actor must do more than make reforms. It must actively communicate those reforms to prospective audiences.

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194 Büthe and Milner, “Politics of Foreign Direct Investment,” 742. Judith Goldstein et al. also use the examples of GATT and the WTO to investigate how international organizations solve credibility problems. They argue that membership in GATT or the WTO “substantially increased trade for countries with institutional standing, and that other embedded agreements had similarly positive effects.” Goldstein, Rivers, and Tomz, “Institutions in International Relations,” 38.
197 Rodrik, “Credibility of Trade Reform,” 13; Büthe and Milner, “Politics of Foreign Direct Investment,” 745.
198 Büthe and Milner, “Politics of Foreign Direct Investment,” 744. Büthe and Milner summarize that “participation in international treaties and organizations that institutionalize a country’s commitment to open markets increases the likelihood that reneging on those commitments will be revealed. This informational effect should make it more likely that reneging will be punished and therefore make a commitment … more credible.” Büthe and Milner, “Politics of Foreign Direct Investment,” 745-46.
199 Rodrik, “Credibility of Trade Reform,” 11.
Credibility comes not merely from an act, but from a targeted audience’s ability to perceive that act as credible.\textsuperscript{200} Thus, in addition to institutions, states can base their assessments about another actor’s future policies — and therefore its assessments of risk — on costly signaling.

In his pioneering work on the issue, James Fearon finds that the creation of audience costs — the punishment exacted on a leader by his population for backing away from a threat (or, in the theme above, deviating from expected future behavior) — is the principal way to signal credibly. He contends that because democratic leaders act on behalf of publics, they are wary of generating audience costs and then retreating, which makes their threats potentially more credible.\textsuperscript{201} Andrew Kydd saliently argues that costly signaling is the key mechanism that enables states to “reassure” each other that they are trustworthy.\textsuperscript{202} Reassurance depends on being able to solve a time inconsistency problem: “[c]ostly signaling,” he writes, “will permit reassurance and cooperation between rational security seekers no matter how mistrustful they are of each other to begin with. … Essentially it says that states will be able to order the issues facing them over time such that their behavior on the earlier issues will be informative about how they will behave on the later ones.”\textsuperscript{203}

The confluence of confidence and costly signaling has deep ramifications for risk taking in international politics. Like participation in an institution, costly signaling can inform a decisionmaker that the recipient of his assistance will have predictable policies. These need not

\textsuperscript{200} Rodrik, “Credibility of Trade Reform,” 2.
\textsuperscript{201} Fearon, “Signaling Foreign Policy Interests,” 69. Smith elaborates on this idea, contending that domestic audiences punish leaders for reneging on commitments because it is a “sign of incompetence.” As such, “leaders can make credible threats in the international arena because of the domestic ramifications of failing to follow through.” Smith, “International Crises and Domestic Politics,” 623, 625, 630. Martin too notes that there is a direct link between audience costs and commitment credibility, as the generation of the former makes it increasingly unlikely that an actor will backtrack on his promises. Martin, “Credibility, Costs, and Institutions,” 430-31.
\textsuperscript{202} Kydd, \textit{Trust and Mistrust in International Relations}, 5.
\textsuperscript{203} Kydd, \textit{Trust and Mistrust in International Relations}, 201.
pertain only to adversaries in times of crisis; states considering a partnership may base their risk calculations in part on whether a potential partner has demonstrated that its policies will remain stable for the future.\textsuperscript{204}

\textit{Ex Post Risk Management}

In addition to seeking out partners with predictable policies, actors may be more willing to pursue policies that pose a security risk if they believe their state can manage those risks after a decision has been made. In other words, they will become increasingly risk tolerant if they perceive they have the wherewithal to mitigate negative consequences that may arise as the policy unfolds. By remaining directly involved in the policy long after the initial decision has been made, actors may believe that risks will be manageable, and therefore adverse consequences less likely or harmful.

Unfortunately, there is a dearth of writing about ex post risk management in the international relations literature.\textsuperscript{205} This dissertation primarily draws on the idea that ex post risk management concerns “keeping a hand” in a policy that may pose a security risk over time. Specific types of involvement may range, depending largely on the risks in question: one illustrative example is the dual key system used in nuclear weapons deployment, whereby

\textsuperscript{204}Kydd, \textit{Trust and Mistrust in International Relations}, 33.
\textsuperscript{205}Glenn Snyder is one author to touch on the issue in his work on alliances. “Once an alliance forms,” he writes, “its members face the task of managing it. Whether the relationship rests on a formal treaty or merely on recognized common interests, the parties will want to shape and control it so that it maximizes their net benefits.” Snyder, \textit{Alliance Politics}, 165. According to Snyder, states embark on a process of bargaining not only to preserve the alliance, but also to maximize benefits and minimize risks associated with an existing alliance. Snyder, \textit{Alliance Politics}, 165. Alexander Cooley and Hendrik Spruyt also raise the issue of risk management in their \textit{Contracting States}, arguing that states engage in “strategic incompleteness,” whereby the “incompleteness of a contract may arise not only from transaction costs and exogenous shocks but also from the strategic advantage gained by one of the parties from renegotiating the agreement at a later date.” Cooley and Spruyt, \textit{Contracting States}, 10.
authorization to deploy would depend on approval from two different command structures.206 Other examples may include the installation of cameras at civilian nuclear plants or the presence of state-appointed officials in the leadership structures of terrorist groups.

Risk and Risk Management

States in the international system are concerned chiefly with their own survival. As such, a decisionmaker’s willingness to cooperate often depends on whether the “penalty for unreciprocated cooperation is not devastating.”207 While this section relied in part on studies of international political economy to demonstrate the dynamics of ex ante risk management, it is important to acknowledge that many of these issues are more strained in the areas of security. The “costs of betrayal, the difficulties of monitoring, and the tendency to comprehend security issues as strictly competitive struggles” make it harder for states to believe that risk taking is beneficial.208

And yet states still take risks in the international arena, at times involving the empowerment of other actors. This dissertation therefore hypothesizes that policymakers are more willing to pursue policies that pose strategic risks over time if they believe their state can manage those risks. This perception can be ex ante: decisionmakers may believe that an actor who participates in institutions or engages in costly signaling has “reduce[d] any possible future incentives to reverse policies,” and therefore has predictable foreign policies.209 By identifying actors with stable foreign policies, decisionmakers may believe that they have selected opportunities that pose less strategic risk over time. Risk management can also be ex post:

206 See Younger, The Bomb, 59.
209 Rodrik, “Credibility of Trade Reform,” 11.
policymakers may believe that they can stay actively involved in a policy and therefore be able to identify and rectify any situations that may pose a risk.

In applying these theories, this dissertation examines a second hypothesis: *Leaders who believe their state can manage a risk are more likely to pursue policies that pose a security risk over time.* In order to test this variable, this dissertation examines whether decisionmakers took actions to hedge against potential future risks or pursued a risky policy only after credible commitments — through institutions or costly signaling — were made. This second hypothesis predicts that a decisionmaker will discount future strategic risks when a potential partner has signed either a bilateral or international agreement about future behavior. A decisionmaker will further become risk tolerant when a prospective partner agrees to oversight, monitoring, or limits on the assistance provided. Public pledges of policy alignment by an ally — even if informal — will similarly increase an actor’s risk tolerance over time. According to the risk management hypothesis, a leader will also discount future risks when he can control the type and amount of assistance provided to a potential partner, or when he can provide aid incrementally (and therefore curtail assistance). Finally, a decisionmaker will discount future risks when he believes that his policies prevent less responsible or trustworthy actors from engaging in the same behavior.

**Alternative Explanation One: Domestic Politics**

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Variation in ex ante risk management is evident if a decisionmaker refuses to empower actors who do not join institutions or signal in a sufficiently costly way. If a leader grants assistance only after a client undertakes these measures, then variation is present. Variation in ex post risk management is similarly intuitive. The ex post explanation posits that decisionmakers are more willing to take risks when they think they can stay involved in the management of those risks over the long run. Decisionmakers may remain averse to running such risks when they believe they cannot implement such measures, which often take the form of monitoring and oversight. If decisionmakers accept risks only after creating such mechanisms, then variation is present. Variation is also present if a decisionmaker terminates a given policy because he no longer believes that an agent is trustworthy or the risks are controllable.
This dissertation explores three alternative hypotheses. To begin, it considers that domestic pressures on a regime can significantly affect the risk calculations of decisionmakers. Such internal threats can take a variety of forms: they can be manifest in crises that imperil political survival, such as coups, elections, or uprisings, but can also pertain to less existential events such as interest group lobbying, large-scale demonstrations, or politicking by in-state rivals and challengers. This dissertation draws principally on the political survival literature to examine how domestic politics may influence risk taking in international politics. In order to develop this hypothesis adequately, this section reviews a number of works that explain why domestic pressures may compel decisionmakers to accept long-term risks. It begins by discussing the potential for divergence between a leader’s interests and those of his state, drawing on principal-agent theory to do so. After looking at the relevant literature on coalition politics, it explores three issues — adventurism, alliance making, and gambling for resurrection — that exemplify how domestic pressures may alter a decisionmaker’s risk assessments. The section concludes by laying out the first alternative explanation.

*Divergent Interests*

This dissertation assumes that politicians primarily seek their own political survival. Such an axiom is neither cynical nor original: scholars across various sub-fields of political science have argued that leaders will often pursue policies that best ensure their ability to retain power. Bruce Bueno de Mesquita and Randolph Siverson “assume that political leaders are intent on maintaining themselves in power and use the available tools of power and rules to accomplish
Fiona McGillivray and Alastair Smith echo that “[a]lthough leaders are assumed to care somewhat about international outcomes, they primarily want to keep their jobs.”

Because the retention of power is the foremost goal of state leaders, their preferences may conflict with those of the state. States are not unitary actors, and it is therefore possible, if not probable, that the long-term interests of society do not align with those of the ruling elite. As such, leaders may pursue their own interests at the expense of the state’s long-term well being; they may trade their country’s security for their own personal gain. This divergence tends to favor the decisionmakers: “If the welfare of a leader and the welfare of the society are at odds,” write Bueno de Mesquita et al., “it is more likely to go well for the leader than for society.”

Scholars of international relations have found that rational thinking underpins a decisionmaker’s choice to pursue his interests at the expense of the state’s; if they are ensuring their own political survival, decisionmakers can rationally formulate policies that seem to risk the state’s long-term strategic interests but serve to protect or advance their own standing.

At its essence, the potential for leaders to pursue their own interests at the expense of the state’s wellbeing is a principal-agent problem. In his seminal article on principal-agent theory, Stephen Ross notes that an “agency relationship has arisen between two (or more) parties when one, designated as the agent, acts for, on behalf of, or as representative for the other, designated

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211 Bueno de Mesquita and Siverson, “War and the Survival of Political Leaders,” 842. Bueno de Mesquita et al. reaffirm this principle in their Logic of Political Survival, which reads that the “politics behind survival in office is the essence of politics.” Bueno de Mesquita et al., The Logic of Political Survival, 8-9.
212 McGillivray and Smith, Punishing the Prince, 20.
213 McGillivray and Smith, Punishing the Prince, 4, 20.
214 Bueno de Mesquita et al., The Logic of Political Survival, 21.
215 Hein Goemans, for example, stresses that leaders can “rationally prefer to continue fighting” a war that may imperil the state if that strategy serves their own personal interests. Goemans, War and Punishment, 14.
the principal, in a particular domain of decision problems."\textsuperscript{216} The crucial concept here is that the agent is not only “employed to do an act on behalf of another called the principal,” but is also “required to conduct the business entrusted to him with as much skill as is generally possessed by persons engaged in a similar business, to act with reasonable diligence, to display the utmost fidelity, to keep proper accounts, and to pay over all moneys received less any expenses and his own remuneration.”\textsuperscript{217}

The principal-agent problem therefore concerns how a principal can “design a compensation system (a contract) which motivates another individual, his agent (say the employee), to act in the principal’s interests.”\textsuperscript{218} Two factors complicate a principal’s efforts. First, an asymmetry of information exists: because a principal cannot completely monitor his agent’s behavior, he cannot base payment on the latter’s actions.\textsuperscript{219} The asymmetry of information also makes it tremendously difficult for a principal to determine whether the agent is behaving appropriately and taking the “action the principal would himself have undertaken, in the given circumstances.”\textsuperscript{220} The second problem of principal-agent relationships is that of divergent interests. It is possible that the “goals of the principal and agent conflict” and that, as such, the empowered agent will pursue his own interests at the expense of the principal’s gain.\textsuperscript{221}

\textit{Answerable Agents}

Like all agents, state leaders are still tied to a principal — namely those actors within the state that confer onto them the power and ability to rule. The coalition literature has examined

\begin{footnotesize}
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  \item \textsuperscript{216} Ross, “The Economic Theory of Agency,” 134.
  \item \textsuperscript{217} Munro, “Principal and Agent (I),” 2008.
  \item \textsuperscript{218} Stiglitz, “Principal and Agent (II),” 2008.
  \item \textsuperscript{219} Stiglitz, “Principal and Agent (II),” 2008.
  \item \textsuperscript{220} Eisenhardt, “Agency Theory,” 58; Stiglitz, “Principal and Agent (II),” 2008.
  \item \textsuperscript{221} Eisenhardt, “Agency Theory,” 58.
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this issue extensively. As Bueno de Mesquita et al. describe, every leader “answers to some group that retains her in power: her winning coalition. This group controls the essential features that constitute political power in the system.”\(^{222}\) Because these coalitions maintain the power to extend a leader’s tenure, leaders strive to distribute public and private goods in ways that curry favor with coalition members.\(^{223}\)

Coalition dynamics are fraught with tension. On the one hand, a leader has the ability to allocate goods, and can therefore play on fears of exclusion to ensure loyalty.\(^{224}\) On the other hand, a leader is dependent on his coalition to remain in power and must work to ward off potential challengers, who may offer alternative allocation designs and cause defections.\(^{225}\) Leaders will therefore act to remain in power by appeasing key coalition members.\(^{226}\)

How leaders respond to threats abroad often reflects both coalition realities and broader domestic concerns. Indeed, decisionmakers are often “motivated to select foreign policies because of their domestic consequences.”\(^{227}\) What is more, leaders who face internal pressures from members of their coalition can “use an external threat to rally their support.”\(^{228}\) Herein lies the link between risk taking abroad and politics at home: if decisionmakers face significant domestic pressures, they may pursue policies abroad that appease members of their coalition in

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\(^{222}\) Bueno de Mesquita et al., *The Logic of Political Survival*, 7-8.

\(^{223}\) Bueno de Mesquita et al., *The Logic of Political Survival*, 8, 10.

\(^{224}\) McGillivray and Smith, *Punishing the Prince*, 27.

\(^{225}\) McGillivray and Smith, *Punishing the Prince*, 26-27.

\(^{226}\) In a democracy, this may entail undertaking “good public policies rather than establishing secret Swiss bank accounts,” while authoritarians may “establish special privileges for their backers like the special stores party members enjoyed in the Soviet Union. … Autocrats can be forgiven bad policy, but they are not likely to survive the elimination of patronage or the corrupt benefits of cronyism.” Bueno de Mesquita et al., *The Logic of Political Survival*, 19.


\(^{228}\) Morgan and Bickers, “Domestic Discontent and the External Use of Force,” 33.
the short term, even if those policies pose longer-term security risks to the state. Such pressures can of course stem from domestic threats that imperil regime survival, but can also include non-existential pressures from influential coalition members. This dissertation therefore accounts for the role that special interests can play in affecting decisionmaking, as such factions can “serve as pressure groups, who, through their ability to contribute campaign funds and mobilize voters, directly shape the preferences of the executive and the legislature; that is, the preferences of interest groups often have a significant bearing on political actors’ policy preferences.”

Importantly, these dynamics hold in both democracies and autocracies: Milner emphasizes that the “support of the professional military, the landed oligarchy, big business, and/or a political party is usually necessary for even dictators to remain in power and implement their policies.”

Adventurism

Leaders may use external means to counter internal pressures. Scholars of international relations have long studied the “connection between the office-seeking incentives of leaders and conflict.” Such studies have focused on a variety of areas, including war initiation and termination, the role of regime type, and the effects of war on leader tenure. First and most studied is the literature that concerns diversionary war (at times referred to as “scapegoat” theory), which “argues that leaders become more likely to initiate conflict when they face a higher risk of losing office,” particularly when leaders are “faced with a loss of support from

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229 Milner, Interests, Institutions, and Information, 60.
230 Milner, Interests, Institutions, and Information, 12.
232 Chiozza and Goemans, “Peace through Insecurity,” 444.
within their ruling coalition.”

Levy describes diversionary war as the idea that “political elites often embark on adventurous foreign policies or even resort to war in order to distract popular attention away from internal social and economic problems and consolidate their own domestic political support.” The theory rests on the idea that “international conflict allows leaders a chance to shift the blame for their own failed policies onto the foreign enemy.” Domestic unrest is a necessary condition for diversionary war, as “[s]uch unrest can represent a fundamental challenge to the continued legitimacy, capacity, and even the existence of a state.”

It is worth mentioning two additional theories that link conflicts abroad to domestic political concerns. The “in-group/out-group” hypothesis “suggests that as people perceive a foreign threat, they become more likely to support their leader, bolstering his or her time in office, which becomes the reason why a leader might provoke a foreign crisis in the first place.” Relatedly, the “rally-around-the-flag” theory asserts that a leader’s approval ratings

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236 Oakes, “Diversionary War and Argentina’s Invasion of the Falkland Islands,” 433-34. See also Russett, *Controlling the Sword*, 24; Lebow, *Between Peace and War*, 66. Studies of diversionary war have been wide ranging in their focus. Some scholars have examined whether diversionary war ultimately rewards policymakers. See Morgan and Bickers, “Domestic Discontent and the External Use of Force,” 26. Others have investigated why a government may use diversionary war as its chosen means of addressing internal unrest. See Oakes, “Diversionary War and Argentina’s Invasion of the Falkland Islands,” 433-37. Still others have worked to show how wars and conflicts may be explained by theories of diversionary war, or examined diversionary war through the lens of regime type. See Lebow, *Between Peace and War*, 66, 334; Downes, “How Smart and Tough are Democracies?” 9-51; Gelpi, “Democratic Diversions.” 256, 260-61.
237 Chiozza and Goemans, “Peace through Insecurity,” 445. Finlay et al. draw on this idea in their work, arguing that the “existence of enemies generally fosters in-group solidarity and cohesion” and that “conflict with an enemy may be an effective means of promoting internal solidarity and of maintaining environmental control.” Finlay et al., *Enemies in Politics*, 10.
and popularity rise after he authorizes the use of force.\textsuperscript{238} It follows that leaders may “deliberately use force externally in an effort to divert attention from internal problems.”\textsuperscript{239} As with diversionary war, both of these theories suggest that decisionmakers can respond to internal unrest by seeking suboptimal policies abroad, opening up the possibility that they would be willing to tolerate strategic risks that previously would have been unacceptable.\textsuperscript{240}

Domestic politics clearly matter in the formulation of foreign policy. There is an abundance of evidence demonstrating that decisionmakers facing internal pressures may pursue policies that pose long-term strategic risks for reasons other than the enduring interests of the state. Indeed, adventurism can be seen as a symptom of a shortened time horizon and its effect on risk acceptance. Amy Oakes uses this reasoning in her study of diversionary war. “The logic of diversionary conflict,” she writes, “is straightforward: when the domestic situation becomes unstable, leaders have less to lose from choosing a risky military policy. In such a situation, doing nothing looks certain to produce losses for the regime, while gambling through war at least offers the hope of turning things around.”\textsuperscript{241} Lebow affirms that “political leaders who might have otherwise opposed an adventurous foreign policy became willing to assume the risks inherent in brinkmanship because they became convinced that it was the most realistic way of reducing or possibly eliminating the threat they … faced.”\textsuperscript{242}

\textsuperscript{239} Richards et al., “Good Times, Bad Times, and the Diversionary Use of Force,” 507-8.
\textsuperscript{241} Oakes, “Diversionary War and Argentina’s Invasion of the Falkland Islands,” 434. See also Richards et al., “Good Times, Bad Times, and the Diversionary Use of Force,” 522.
\textsuperscript{242} Lebow, \textit{Between Peace and War}, 62.
Alliances

Scholars have also used the issue of alliances to highlight the links between domestic concerns and state action abroad. One innovative theory in this regard is known as “omnibalancing.” In his original work on the subject, Stephen David argues that balance of power theory cannot explain third world alignments, where states tend to bandwagon with more powerful and, at times, even more threatening states. Omnibalancing explains that certain alignments are the consequence of leaders seeking simultaneously to counter internal and external threats. The theory posits that leaders may bandwagon with hostile foreign powers if they help balance against domestic threats.243

Michael Barnett and Jack Levy have similarly suggested that systemic theories are inadequate for explaining alliance formation. According to them, domestic factors must be accounted for, particularly in the third world, where “internal threats to the stability of the regime are often perceived as greater in magnitude and immediacy than are external threats to national security and where external alignments are often valued as much for their contribution to internal economic and political stability as for their provision of external security.”244 Their emphasis on a domestic threat’s “magnitude and immediacy” is of particular salience to this dissertation: not only does it suggest that domestic threats can dislodge foreign policy preferences, but it also suggests that those threats demand the immediate action that can cause a decisionmaker to discount future security risks. Even more germane to this dissertation, the results of such a domestic threat can cause a state to seek alliances with other actors; in doing so, the principal

might empower an agent in ways that contravene the former’s long-term interests.\textsuperscript{245}

In sum, studies of alliance-making and diversionary war suggest that leaders may undertake suboptimal policies as a means of countering domestic pressures.\textsuperscript{246} This means that decisionmakers may be willing to pursue policies that pose a security risk over time if doing so retains the support of key coalition members and empowers the regime.

\textit{Outcomes and Time Horizons}

As with other principal-agent problems, the divide between state leaders and their populations creates an information asymmetry. State leaders, of course, have access to privileged information that the general population cannot receive. George Downs and David Rocke argue, however, that members of society can guard against the principal acting against their interests or in a manner that contravenes their preferences. While a variety of mechanisms — ranging from a free press to armed rebellion — may be useful in this regard, populations tend to rely on event outcomes as a means of overcoming the information asymmetry to judge their leaders.\textsuperscript{247}

The public’s reliance on outcomes, however, may fuel a leader’s decision to pursue policies that pose strategic risk over time if those actions may somehow answer domestic pressures in the short term. Indeed, concerns over event outcomes may encourage state

\textsuperscript{245} Curtis Ryan echoes many of these themes in his discussion of alliances. Implicitly drawing on both principal-agent problems and the immediacy effect, he asserts that “alignments are made and utilized by a ruling political elite in order to maintain its own security and survival. Among the costs of survival is external defense but also more immediately the costs of maintaining a ruling political coalition.” Ryan, \textit{Inter-Arab Alliances}, 12-14, 20.

\textsuperscript{246} Fearon has written on how this interaction can lead to suboptimal policies. See Fearon, “Domestic Politics, Foreign Policy, and Theories of International Relations,” 289-313.

\textsuperscript{247} Downs and Rocke, “Conflict, Agency, and Gambling for Resurrection,” 362-63. Downs and Rocke explain that “high information uncertainty forces a citizenry to gauge by battlefield success or by the apparent consequences of inaction the extent to which an executive is acting in a manner that is consistent with its preferences. In particular, it calls for the removal of an executive who initiates — or actively perpetuates — a losing campaign.” Downs and Rocke, “Conflict, Agency, and Gambling for Resurrection,” 363. Other scholars of international relations have endorsed this finding. See Richards et al., “Good Times, Bad Times, and the Diversionary Use of Force,” 506; Smith, “International Crises and Domestic Politics,” 623.
decisionmakers to “gamble for resurrection.” In his work on war termination, Hein Goemans argues that if leaders believe defeat would yield “personally … severe punishment,” they may be motivated to adopt a “high-variance war fighting strategy” that would “lower the overall expected utility for the state” but “save domestic political leaders from severe punishment.”

This theory reflects the principal-agent problem: Goemans suggests that states and their leaders feel costs and benefits differently, noting that there exists a “logic of agency problem where the interests of the leadership of a state, the agent, clash with the interests of the population of the state as a whole, the principal.”

Downs and Rocke echo this idea, writing that when a leader “believes that removal is likely, he or she has nothing more to lose by ‘gambling for resurrection’ by escalating or extending a conflict.”

For this dissertation, it is useful to consider gambling for resurrection not only as a desperate means of salvaging the favor of domestic audiences, but also as evidence that internal pressures can shorten decisionmakers’ time horizons and compel them to take on long-term strategic risks. If leaders are faced with the immediate concern of countering domestic threats (and thus have a short time horizon), then “long-term costs and benefits will have a limited effect on the chosen path.” Leaders will not weigh heavily the long-term consequences of their actions if those policies may resolve more immediate and personal concerns. Pierson writes that this is a fundamental tension in state decisionmaking. “Many of the implications of political decisions,” he argues, “only play out in the long run. Yet political actors, especially politicians, are often most interested in the shorter consequences of their actions; long-term effects tend to be

248 Goemans, War and Punishment, 14.
249 Goemans, War and Punishment, 14.
251 Pierson, Politics in Time, 42.
heavily discounted.”

Pierson notes that electoral politics help explain these dynamics. Because voters judge policies on a very short-term basis, it behooves elected officials to “employ a high discount rate. They will pay attention to long-term consequences only if these become politically salient, or when they have little reason to fear short-term electoral retribution.” This reasoning holds not only in democracies, but in any regime where a decisionmaker’s payoff is more immediate than the realization of possible long-term adverse effects.

Internal Threats and Risks

The preceding discussion has shown not only that foreign policy choices are inextricably linked to domestic politics, but that internal pressures — even those that do not pose an existential threat to the regime — can alter previously stable policy preferences. A decisionmaker may prefer not to pursue a costly war or make unsavory alliances, but domestic pressures can alter his beliefs about what may be an acceptable strategic risk. Because a principal and agent can have divergent interests, a leader may become risk acceptant in a way that will address an immediate domestic concern even if that policy poses security risks over time to his state. The conditions for this intertemporal tradeoff are common in international politics: Barnett and Levy write that “state survival is rarely at stake while regime stability or

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252 Pierson, Politics in Time, 41.
253 Pierson, Politics in Time, 41. Richard Posner similarly claims that “[p]oliticians with limited terms of office and thus foreshortened political horizons are likely to discount low-risk disaster possibilities steeply because the risk of damage to their careers from failing to take precautionary measures is truncated.” Posner, “Catastrophic Risk,” 2008. See also Gaubatz, “Election Cycles and War,” 213, 238.
254 Lopes, “Decision Making in the Short Run,” 384. Rosen writes that it “would not startle anyone to suggest that at times political leaders in any political system can be short-sighted. This kind of time orientation is determined by the nature of the environment, which creates extremely high incentives for succeeding in the short term, and high penalties for failing, such that survival in the long term depends on success in the short term.” Rosen, War and Human Nature, 153.
255 Russett, Controlling the Sword, 39.
survival frequently is [and] state decisionmakers generally attend to immediate threats first.”

Such logics can be applied to situations in which a decisionmaker undertakes policies that pose a security risk over time as a means of countering domestic pressures. Domestic concerns that are certain and immediate shorten a leader’s time horizon, and he will become tolerant of foreign policies that meet the demands of key coalition members or redress dangers at home. State actors who might usually be averse to the strategic risks associated with transferring materiel to other actors may do so if they believe it will somehow counter the threat posed by internal forces. As such, this dissertation examines whether pressures in the domestic environment compel decisionmakers to tolerate risks that otherwise would have seemed unacceptable. In applying these theories, this dissertation examines a first alternative hypothesis: *Leaders facing significant domestic pressures are more likely to pursue policies that pose a security risk over time.* Domestic pressures can pertain to any condition that demands the attention and action of a decisionmaker; they include both threats to political survival and non-existential dangers posed by key coalition members or rivals. Analysts can identify the salience of the domestic politics explanation when elites demonstrate a willingness to take actions that risked the state’s security as a means of alleviating domestic pressures and empowering their own regime.

This hypothesis predicts that a decisionmaker will discount future strategic risks when a military coup, mass demonstrations, or a looming election imperils his political survival. He will also discount future risks when rival institutions and leaders threaten his tenure, when in-state

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257 Variation in domestic politics is evident if a decisionmaker believes that his political survival is secure, but later perceives that his ability to remain in office is imperiled. Non-existential pressures from influential coalition members may also vary, as leaders may be subjected to unprecedented demands or internal threats.
actors carry out attacks against regime personnel, or when members of the regime coalition threaten to overthrow him. The hypothesis further predicts that when a policy is of high importance to coalition members — in the form of powerful interest groups or restive segments of the population — a decisionmaker will become risk tolerant to appease those actors. Again, while both real and perceived events may increase a decisionmaker’s risk tolerance, perception of such domestic threats is a sufficient cause for future risk discounting.

**Alternative Explanation Two: Trust**

The final two alternative explanations both draw on constructivist theory: the first concerns the role of trust — both in collective identification and interpersonal connection — in assessing risk over time, while the second examines issues of prestige.\(^{258}\) Constructivism developed in many ways as a response to rationalist theories of international relations. Contra the structural theories of neorealism and neoliberalism, which emphasize anarchy and the material balance of power, the constructivist critique suggests that structures and agents are co-constituted, that agents may at times pursue logics of appropriateness rather than solely logics of consequence, and that it would behoove scholars of international relations to account for ideational causation in their studies of global politics. The importance of ideational causation shapes this dissertation’s second alternative explanation for pursuing policies that pose a security risk over time.

It is perhaps best to turn first to Alexander Wendt to examine the influence of ideas and identities on risk taking. In his groundbreaking work, Wendt demonstrates that multiple logics of anarchy exist; a Waltzian world of self-help and power politics does not necessarily have to

\(^{258}\) Alexander Cooley and Daniel Nexon link “interpersonal networks and collective identification” to trust. See Cooley and Nexon, “We are All Georgians Now,” 4, 11.
follow the existence of an anarchic system. To Wendt, only the practices that generate “structures of identities” logically result from conditions of anarchy. Identity, he argues, is grounded in beliefs about self and other (ego and alter), and serves as the “basis of interests.”

Wendt’s work laid the foundation for future studies of collective identification in international politics. In rationalist theories, units are undifferentiated. But in constructivism, a state’s identity can inform its interests and its behavior in the system. Wendt explains that social identities “have both individual and social structural properties, being at once cognitive schemas that enable an actor to determine ‘who I am/we are’ in a situation and positions in a social role structure of shared understandings and expectations. In this respect, they are a key link in the mutual constitution of agent and structure, embodying the terms of individuality through which agents relate to each other.”

Because identities are determined intersubjectively, they are not necessarily stable and can in fact change in significant ways. David Rousseau explains that identities are “multidimensional constructs. Individuals define groups using a set of latent dimensions; on any particular day, only a handful of the latent dimensions are salient and other salient dimensions are used to compare the Self to the Other. This implies that identities are variable and manipulatable.”

Constructivists argue that identities shape interests and therefore can determine behavior in the international arena. As such, a state with different identities at two points in time may not only behave differently, but will be expected by others to do so as well. Numerous scholars have pointed to the cases of pre- and post-war Germany and Japan as examples of this concept:

contemporary security policies of those countries are distinct from those of the early 1940s. Perhaps of equal import, those states are treated differently by other actors in the system today than they were on the eve of World War II. These dynamics also help explain how collective identification can compel states to pursue policies that may not provide material benefits. Rather than “simply seek[ing] to maximize their material welfare,” states may “make determinations about what kinds of goals to pursue and how to pursue those goals with reference to predominant norms.” Martha Finnemore’s work on this issue has proven particularly convincing. She argues that rationalism cannot explain why states engage in humanitarian intervention where there is no clear material gain. The answer, she suggests, lies in changing norms and identity issues: changing beliefs about who is “human” resulted in extending military protection beyond Europeans and Christians.

The role of identity contributes to the larger constructivist belief that meaning is socially constructed; traditional, material correlates of power — men, guns, or mountains — are distilled by social concepts that give those properties meaning. Wendt again played a leading role in the development of this theory. In his “Constructing International Politics,” he suggests that social structures — which consist of shared knowledge and expectations, material resources, and practices — are as important as material ones. Social structures, he argues, explain why the U.S. worries more about five North Korean nuclear weapons than five hundred British ones.

It follows that collective identification can serve as the key mechanism in the building of trust between actors. Collective identification turns on the idea of “positive identification with

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263 Nexon, The Struggle for Power in Early Modern Europe, 35.
the welfare of another, such that the other is seen as a cognitive extension of the self, rather than independent. … This is a basis for feelings of solidarity, community, and loyalty and thus for collective definitions of interest.”

Constructivist theorists may therefore assert that “identities profoundly shape collective mobilization dynamics. When actors view one another as members of a common ‘in group,’ the argument goes, they will be more likely to trust one another and even sacrifice parochial interests for the good of the larger community. Thus, states that share common identities — religious, ethnic, national, and so forth — both will be more likely to share common interests and will also have an easier time credibly committing to engage in joint-action.”

While in the “absence of positive identification, interests will be defined without regard to the other,” the presence of such identification can compel decisionmakers to act less solipsistically. Actors may consequently choose to empower others, either because commonalities make them inherently trustworthy or because such behavior is deemed appropriate.

To be sure, the identity factor can cut both ways: shared identities may lead to a decrease in threat perception and a subsequent increased willingness to cooperate, while divergent or conflicting identities may lead to an increased sense of threat and unwillingness to cooperate. As Jane Cramer and A. Trevor Thrall write in their work on threat inflation, to constructivists threats are “what we make of them” and “national and cultural identities, norms, and myths will … color threat perceptions.”

Rousseau has also detailed the connection between identity and threat

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perception. Building off Wendt’s work, he argues that shared identities correlate with a decrease in threat perception; actors “construct identities for their state” and for “other countries in the international system. If the individual believes that the two states share a common set of beliefs, values, or traits … the sense of shared identity decreases the perception that the other state is a threat.”

Rousseau’s theory is rooted in ideas of self and other: he argues that the dividing line between alter and ego creates a division between in- and out-groups, which in turn can influence how threatening another actor is perceived to be. Where the “conceptualizations of the Self and Other converge, the other state is seen as less threatening. If the conceptualizations diverge, the sense of threat increases.”

The constructivist link between identity and threat perception has ramifications for studying strategic risk over time. When evaluating a risk, particularly one that empowers another actor, a decisionmaker may become more risk tolerant if he believes that social ties bind himself to the other agent. In other words, a leader considering the transfer of nuclear material or conventional arms may do so because he believes not only that a partner with a shared identity is less likely to betray him, but also because that is the appropriate action to take given their common traits. This idea has support in social psychology: in their experimental work on intergroup behavior, Henri Tajfel and John Turner have found that “[a]s long as minimal conditions existed for in-group identification, [their] subjects were prepared to give relatively less to themselves when the award (either in points or in money) was to be divided between self...

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272 Rousseau, *Identifying Threats*, 210-11. Other constructivist scholars have echoed this idea that identities and threat perception are intertwined. Thomas Risse-Kappen, for example, argues that because the Western Alliance is based on common values and collective identity, it will survive the absence of a pressing post-Cold War threat. Risse-Kappen, “Collective Identity in a Democratic Community,” 394-97.
and an anonymous member of the in-group, as compared with dividing with any anonymous member of the out-group.”

As such, leaders may be willing to empower other actors — and potentially sacrifice future security — because they identify agents as members of the same in-group.

In addition to collective identification, trust can also stem from interpersonal connection. Interpersonal connection centers on the idea that two actors enjoy a personal relationship that allows, if not inspires, genuine confidence. Alexander Cooley and Daniel Nexon discuss this idea in a working paper on U.S.-Georgia relations during the Bush administration, noting that “[i]n many settings, trust is often a function of interpersonal relations. In general, interpersonal trust leads to ‘positive interpretations of one another’s behavior’ and otherwise enhances cooperation.”

The authors continue that “when decision-makers build close interpersonal ties through positive interactions — both within and outside of normal policy contexts — we should expect them to be more likely to trust one another.”

A relationship can potentially serve as a sufficient condition for trust, compelling a principal to believe that a prospective agent will not act treacherously.

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273 Tajfel and Turner, “An Integrative Theory of Intergroup Conflict,” 42. See also Tajfel et al., “Social Categorization and Intergroup Behavior,” 172–76. Tajfel and Turner saliently explain that the “essential criteria for group membership … are that the individuals concerned define themselves and are defined by others as members of a group.” Tajfel and Turner, “An Integrative Theory of Intergroup Conflict,” 40. They argue that scholars can “conceptualize a group … as a collection of individuals who perceive themselves to be members of the same social category, share some emotional involvement in this common definition of themselves, and achieve some degree of social consensus about the evaluation of their group and of their membership of it.” Tajfel and Turner, “An Integrative Theory of Intergroup Conflict,” 40.

274 Cooley and Nexon, “We are All Georgians Now,” 4.

275 Cooley and Nexon, “We are All Georgians Now,” 4. Applying their theory, Cooley and Nexon argue that “rationalist and ‘objective’ theories of credibility cannot explain why Washington badly misread Georgia’s commitment to restraint — at least until it was too late. That misreading stemmed [from] two interrelated dynamics: collective identification with Georgia as a western-oriented democratizer and trust relationships built between the Saakashvili government and US government officials.” Cooley and Nexon, “We are All Georgians Now,” 11.
Interpersonal connection can have significant ramifications for risk taking in international politics: if a decisionmaker believes that his relationship with — or merely the character of — another actor inherently negates the possibility of betrayal, emancipation, or boomerang, he may be willing to discount the future strategic risks associated with empowering that agent. Notably, faith in the personal relationship need not be mutual: only the principal’s beliefs, rather than the agent’s, are salient.

This dissertation builds off constructivist works by examining whether decisionmakers discount future risks because collective identification or interpersonal connection compels them to trust prospective partners. Importantly, trust precludes the need for risk management mechanisms, which are employed only in its absence. (Whereas costly signaling, institutional participation, or subjectivity to monitoring and oversight can make an agent appear more trustworthy, the use of these strategies nullifies the explanatory power of trust.) In applying these theories, this dissertation examines a second alternative hypothesis: Leaders are more likely to pursue policies that pose a security risk over time if they trust a potential partner. The trust hypothesis predicts that a decisionmaker will discount future risks when a potential partner has a similar religious or ethnic identity. Shared historical experiences or political ideologies will similarly compel a leader to tolerate risk over time. The trust hypothesis further forecasts that a

276 Nexon and Wright saliently note that “constructivists focus on mechanisms of collective identification in overcoming distrust and fears of defection.” Nexon and Wright, “What’s at Stake in the American Empire Debate,” 257.
277 Daniel Nexon, personal communication, 18 January 2012.
278 Variation in trust can occur in one of two ways. First, such variation is present if a decisionmaker holds beliefs about collective identification, but later alters those beliefs. More specifically, events may lead a decisionmaker to perceive that a shared identity has become divergent, or that a divergent identity has become shared. This can be due to changes either in the leader’s state or in the state he is evaluating. Second, variation in trust occurs if existing bonds of interpersonal connection are broken, or if such bonds are newly forged with an incumbent or recently empowered decisionmaker.
leader will discount future risks when he believes that a potential partner is pursuing a “just” cause. Finally, the hypothesis predicts that a decisionmaker will become risk acceptant when he believes that his relationship with another actor, or his faith in that agent’s character, inherently precludes the possibility of adverse outcomes.

**Alternative Explanation Three: Prestige**

Finally, this dissertation considers the possibility that decisionmakers pursue policies that pose risk over time because they seek the prestige that may be bestowed upon their states as a result of such actions. Constructivist work on norms provides a good starting point for investigating this issue. As stated above, constructivists argue that behavior in the international system can be guided by normative, non-material considerations. Norms can play a significant role in determining both state preferences and the means that states employ to achieve their goals. Actors therefore may pursue policies because they are “appropriate,” or because they confer a sense of prestige or status.

Normative factors can help explain the role of status and status symbols in world politics. Constructivist scholars have been particularly successful in applying these concepts to the issue of demand-side nuclear proliferation. Though not necessarily a constructivist himself, Scott Sagan has shown that, at times, “nuclear weapons decisions are made because weapons acquisition … provides an important normative symbol of a state’s modernity and identity.”

Sagan’s work has been instrumental in linking the acquisition of a weapon not to its deterrent value, but rather to its symbolic power. He argues that nuclear weapons may serve “important symbolic functions — both shaping and reflecting a state’s identity. According to this

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279 Kowert and Legro, “Norms, Identity and Their Limits,” 462-64.
perspective, state behavior is determined not by leaders’ cold calculations about the national security interests or their parochial bureaucratic interests, but rather by deeper norms and shared beliefs about what actions are legitimate and appropriate in international relations.”281 In this regard, nuclear weapons are no different than “flags, airlines, and Olympic teams: they are part of what modern states believe they have to possess to be legitimate, modern states.”282 The same logic applies to the forgoing of nuclear weapons: Sagan writes that a key function of the Nuclear Non-Proliferation Treaty (NPT) has been the reduction of the status symbolism associated with the weapons, as states came to see possession as illegitimate and therefore less desirable.283

Other scholars have advanced this theory that states may pursue nuclear weapons for their value as status symbols, particularly when they believe their modernity or legitimacy is not being duly recognized. Jacques Hymans zeroes in on this point in his work on “oppositional nationalism,” explaining that leaders pursue nuclear weapons because they believe their state is in conflict with an equal or inferior adversary. Such leaders are less concerned with the actual security threat than the status of being able to match that threat.284 Karsten Frey has also written on the status role of nuclear weapons, noting that they have become “either symbols of invulnerability to perceived threats or the regalia of major power status.”285

In addition to receiving due recognition of modernity or legitimacy, states may also seek to be accorded respect for power. This idea informs Robert Gilpin’s work. In his *War and Change in World Politics*, he notes that the hierarchy of prestige among states constitutes an important

283 Sagan, “How to Keep the Bomb from Iran,” 50.
component of governance in the international system and can ultimately influence distributions of power. Gilpin argues that prestige is the “reputation for power, and military power in particular. Whereas power refers to the economic, military, and related capabilities of a state, prestige refers primarily to the perception of other states with respect to a state’s capacities and its ability and willingness to exercise its power.”

Prestige serves as the “functional equivalent of the role of authority in domestic politics” — where a state enjoys prestige, it can expect the obedience of other actors.

The distinction between prestige and military power is important, as prestige has a “moral and functional basis” and is based on respect. While the hierarchy of prestige still “rests on economic and military rule,” states strive to gain prestige because it, rather than power, is the “everyday currency of international relations.” When divergence exists between perceptions of prestige and the realities of power, these lags can cause states to be restless and act in ways that demonstrate their power and prestige to others.

The link between status and prestige is clear: in both instances, states seek to be recognized by other actors as significant players in the international system. Concerns over modernity, legitimacy, and power all point in this direction of prestige — that a given state’s preferences must be accounted for, that it deserves a seat at any bargaining table, that, in sum, it receives due recognition from others. Randall Schweller captures this dynamic superlatively:

Preventing relative losses in power and prestige is sound advice for satisfied states that seek, above all, to keep what they have. But staying in place is not the primary goal of revisionist states. They want to increase their values and to improve their position in the system. These

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290 Gilpin, *War and Change in World Politics*, 33.
goals cannot be achieved simply by ensuring that everyone else does not gain relative to them. They must gain relative to others; and throughout history states striving for greater relative power, often driven by prestige demands for their rightful ‘place at the table’ or ‘place in the sun,’ have routinely sacrificed their security in such a quest.  

It is therefore possible that decisionmakers pursue policies that pose strategic risk over time because doing so may accord their states the “due” recognition of other actors in the system. Decisionmakers may hope to trade on their state’s willingness to accept the risks associated with certain behaviors, particularly when they believe their influence and power are undervalued by other actors. They may transfer arms or technology to a state or terrorist group if doing so makes clear that their behavior does matter and can influence events. In sum, leaders may be more willing to take risks when they believe their state will reap the rewards of international influence and acknowledgment. As such, this dissertation examines a third alternative hypothesis: Leaders are more likely to pursue policies that pose a security risk over time if they believe it will enhance their state’s prestige in the international system. In order to test this variable, this dissertation examines whether a decisionmaker pursued risky policies as a means of recovering “lost” prestige or gaining status recognition from regional or global actors.

The prestige hypothesis predicts that a decisionmaker will discount future strategic risks when he believes that a policy will bolster his state’s regional standing or regain his state’s status as a hegemon. The hypothesis further predicts that a leader will tolerate risk over time when a policy can alert other actors to his state’s military power or advances. Similarly, an actor will pursue policies that allow him to highlight his state’s technological advances or power, even if

291 Schweller, Deadly Imbalances, 21.
292 Variation in prestige occurs if a decisionmaker at one time does not seek recognition for his state’s power (either by choice or because his state lacked that power), but then undertakes policies as a means of signaling to other actors the newfound prowess of his state. Variation in this independent variable in many ways depends on actual military or technological advancements by the policymaker’s country.
those policies pose a security risk over time. Finally, this hypothesis predicts that a decisionmaker will discount future risks in order to showcase his state’s modernity.
CHAPTER TWO
U.S. Nuclear Assistance to the United Arab Emirates

This chapter examines U.S. nuclear assistance to the United Arab Emirates (UAE) from 2007 to 2009. During that time, the United States government negotiated and signed a civilian nuclear agreement with the UAE; in doing so, U.S. decisionmakers not only risked that the UAE would one day transform its latent capability into weapons capacity — potentially posing a future, existential threat to U.S. interests (“boomerang”) — but also that the Emirates might divert technologies to Iran (“betrayal”) or spark a nuclear arms race in the region.¹ The chapter begins by discussing the U.S.-UAE strategic partnership and nuclear agreement. After reviewing the risks posed by civilian nuclear cooperation, the chapter tests American support for the Emirates’ nuclear program against the variables in question, arguing that concerns over a nuclearizing Iran — which represented a shift in the balance of threat — prompted decisionmakers in Washington to discount the future risks associated with civilian nuclear assistance. That motivation was complemented by the perception that the United States, by extracting a pledge from the UAE to forgo enrichment and reprocessing, would be able to manage the risks associated with such assistance.²

Background

Iran’s pursuit of nuclear weapons has exacerbated long-held tensions between it and the

¹ In addition to having the power to “threaten the suppliers’ very existence,” a nuclear-armed state is far more able to impose its will on rivals, either through intimidation or mere intimation that a conflict may spiral out of control. Kroenig, Exporting the Bomb, 2; Jervis, The Meaning of the Nuclear Revolution, 6, 22; Schelling, Arms and Influence, 91-94. A state wishing to confront a nuclear power will always have to consider the potentially existential costs of doing so. Possession of nuclear weapons can also neuter a rival’s conventional military advantages and grant states the ultimate means to ensure their security. Client states are less bound to obey their patrons and may feel emboldened by their nuclear weapons acquisitions. Kroenig, Exporting the Bomb, 7; Jervis, The Meaning of the Nuclear Revolution, 9.

² This case benefited from a number of confidential interviews. In agreement with those who requested anonymity, the names and statements of some interviewees are withheld.
The United States fears that, emboldened by the bomb, Iran will become a more aggressive player in Middle East politics, carry out attacks against U.S. interests with less fear of retaliation, or displace the United States as the region’s hegemon. There is also the possibility that Iran could transfer an atomic weapon to a terrorist group, start a (potentially nuclear) war with U.S. allies in the region, or cut off the United States from its energy supply by closing the Strait of Hormuz. As Eric Edelman et al. have argued, it is “likely that Iran would become increasingly aggressive once it acquired a nuclear capability, that the United States’ allies in the Middle East would feel greatly threatened and so would increasingly accommodate Tehran, that the United States’ ability to promote and defend its interests in the region would be diminished, and that further nuclear proliferation, with all the dangers that entails, would occur.”

Given these dangerous prospects, the United States has deemed the Iranian nuclear program a serious threat and has worked to prevent its fruition through sanctions, trade restrictions, and international isolation. While concerns over the Iranian nuclear program were certainly raised during the Clinton administration, they were treated with increasing urgency by the George W. Bush administration, particularly after Iran “rebuffed” both U.S. overtures and European Union-led negotiations. As such, President Bush sought to engineer a sanctions regime that could hinder the Iranian nuclear program and limit Tehran’s strategic capabilities. Largely as a result of U.S. efforts, the UN Security Council has, since 2006, imposed multiple

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3 Though Iran has consistently declared that its program is solely for peaceful, civilian purposes, American analysts and officials have disputed this claim.
4 Vice President Cheney voiced a number of these concerns in May of 2007 when he stated that the United States “will not allow Iran to acquire nuclear weapons, close off vital sea lanes for oil supplies, or control the Middle East.” Cheney. Quoted in Wright, “In Gulf, Cheney Pointedly Warns Iran,” Washington Post, 12 May 2007.
rounds of sanctions against Iran, including prohibiting the transfer of nuclear or dual-use items to Iran, freezing the assets of dozens of Iranian citizens and firms, and instructing countries to inspect suspicious cargo bound for Iran.\(^7\)

The United States also constructed a strategic network to contain Iran, maintaining a robust presence in the Persian Gulf and allying with Arab regimes throughout the region.\(^8\) In 2006, the Bush administration established the Gulf Security Dialogue (GSD), which aimed to contain Iran by coordinating the defense policies of Washington and the Gulf States.\(^9\) The Obama administration continued this two-pronged effort of strengthening Iran’s neighbors and sanctioning Tehran. From 2005 to 2009, Washington sold around $37 billion in arms to Saudi Arabia, the UAE, Qatar, Oman, and Kuwait. Notably, much of this was comprised of a $20 billion package negotiated in summer 2007.\(^10\) The administration also implemented a number of penalties against Iran: it pushed through UN Security Council Resolution 1929 — which, among other provisions, sanctioned additional Iranian entities and prohibited “countries from allowing Iran to invest in uranium mining and related nuclear technologies” — and signed into law the Comprehensive Iran Sanctions and Divestment Act, which enhanced existing U.S. sanctions to “curtail additional types of activity, such as selling gasoline and gasoline production-related equipment and services to Iran, and to restrict international banking relationships with Iran.”\(^11\)

The administration has “buttressed economic sanctions with other forms of pressure intended to forestall Iran’s nuclear development”; some analysts credit Washington in part with creating the

\(^7\) Katzman, “Iran,” 30, 36.
\(^8\) Katzman, “Iran,” 54.
A Strategic Partnership

The United States has been able to reach out successfully to a number of Iran’s neighbors, specifically the Arab Gulf monarchies, because they “dread the prospect of a [Iranian] bomb more than anyone else does. For years Arab leaders quietly told foreign visitors that they cannot accept a nuclear-armed Iran; that it would prove catastrophic for them and for the region.” Many of these monarchies fear that a nuclear Iran will “become the region’s paramount power”; they therefore have proven receptive to overtures from Washington to contain Tehran.

Despite its history of solid trade relations with Tehran (discussed in greater detail below), the UAE is one such state that has expressed anxiety about Iran’s nuclear program and regional ambitions. The two sides are engaged in an ongoing dispute over the ownership of three islands — Greater Tunb, Lesser Tunb, and Abu Musa — and the Emirates have found Iranian missile testing and naval exercises in the Strait of Hormuz alarming. In addition to voicing its fears privately to U.S. policymakers, UAE officials have become increasingly willing to criticize the Iranian nuclear program in public: in October of 2009, UAE Foreign Minister Sheikh Abdullah bin Zayed Al-Nahyan was “uncharacteristically public in expressing support for ‘political and

diplomatic pressure on Iran to stop it from acquiring nuclear technology.”

UAE Ambassador to the United States Yousef Al Otaiba even declared in August of 2010 that he “wants the United States to use force to stop Iran,” stating, “We cannot live with a nuclear Iran.”

A strategic partnership between the United States and the UAE is not a new phenomenon: the U.S. has long-standing military guarantees to the UAE — the two countries originally signed a bilateral defense pact in 1994 — and the Emirates have allowed the American military to dock at the Jebel Ali port and use the Al Dhafra air base in support of combat operations. In recent years, however, the U.S. has been able to capitalize on the UAE’s fears of a nuclear-armed Iran, bringing it deeper into Washington’s security orbit. Indeed, American decisionmakers have not only shown a willingness to empower the UAE as a means of imposing costs on their mutual rival, but have touted the relationship as a “lynchpin of U.S. strategy to defend the Gulf.”

As Ellen Tauscher, Under Secretary of State for Arms Control and International Security, noted in Congressional testimony, “The United States and the UAE have established an enduring partnership and share a common vision for a secure, stable, and prosperous Middle East. The UAE provides the United States and Coalition forces with access to its ports and territory and other critical and important logistical assistance.”

Washington’s efforts to strengthen the UAE have centered on conventional arms transfers. From 2006 to 2009, the United States sold more than $10 billion in arms to the UAE. In addition to selling items such as littoral ships and radar systems, the Bush administration

18 Cordesman and Allison, “U.S. and Iranian Strategic Competition,” 30; Early, “Acquiring Foreign Nuclear Assistance,” 266.
20 Tauscher, House Committee on Foreign Affairs, Nuclear Cooperation with the United Arab Emirates, 18.
notified Congress in December 2007 and January 2008 that it would send Joint Direct Attack Munitions and PAC-3 missile launchers to the Emirates.\(^21\) The Obama administration has continued these initiatives, announcing in October 2010 that it was selling $120 billion in arms to Gulf States, slating Theater High Altitude Area Defense (THAAD) for the UAE.\(^22\)

These sales coincided with an increase in the UAE’s willingness to crack down on the illicit trading and smuggling networks that were enabling the Iranian nuclear program. The UAE in 2007 tightened its export controls and, in September of that year, “used the new law to shut down 40 foreign and UAE firms allegedly involved in dual use exports to Iran and other countries.”\(^23\) From October 2008 to April 2009, the UAE “blocked more than 10 shipments of goods for potential military use heading to Iran through Dubai.”\(^24\) UAE officials also “signed on to U.S.-led efforts to track air and sea shipments to Iran.”\(^25\) At the request of the United States, which was working to gain Chinese support for sanctions against Iran, the Emirates also agreed to “offer to boost oil supplies to China to compensate for any loss of imports from Iran that may result from China’s cooperation.”\(^26\)

**Toward a Nuclear Agreement**

In December of 2006, members of the Gulf Cooperation Council (GCC) met in Riyadh to discuss the future of energy security. Citing the need to meet increased demand for electricity, leaders of these oil-rich states declared that they would embark on a program of nuclear

\(^{21}\) Cordesman and Allison, “U.S. and Iranian Strategic Competition,” 31; Katzman, “Iran,” 60.

\(^{22}\) Katzman, “Iran,” 60.

\(^{23}\) Katzman, “The United Arab Emirates,” 8.


Though it is the fourth highest producer in OPEC and has one hundred billion barrels of proven oil reserves, the UAE signed on to the initiative, claiming that it had to develop a civilian nuclear program to meet increasing domestic energy consumption.28

The UAE did not first conclude a nuclear cooperation agreement with the United States. Rather, in January of 2008, the UAE and France agreed that French firms — a joint effort by Total, Suez, and Areva — would assist the Emirates in the development of civilian nuclear energy.29 The two sides also agreed to establish a French naval base in Abu Dhabi.

During these discussions, the UAE concurrently conducted semisecret negotiations with the United States. Though the two countries had a history of generally warm relations and military cooperation, the U.S. was reluctant to enter into a nuclear agreement with the Emirates. American hesitance to conclude any type of deal with the Emirates had been apparent when, in 2006, Congress refused to allow a state-owned corporation — DP World — to buy and manage six American ports. The deal had fallen through ostensibly due to concerns over the UAE’s economic ties to Iran and the country’s links to Al Qaeda, though many analysts “termed the resistance to the deal racist or anti-Arab” or, at the very least, motivated by political expediency.30

In the hopes of courting American assistance, the UAE on 20 April 2008 released a White Paper about its nuclear ambitions. The document set out to explain the need for nuclear energy, stating, “The UAE’s interest in evaluating nuclear energy is motivated by the need to

develop additional sources of electricity to meet future demand projections and to ensure the continued rapid development of its economy.”"\(^{31}\) The next day, on 21 April 2008, U.S. Secretary of State Condoleezza Rice and Nahyan signed a Memorandum of Understanding (MOU) regarding the project. The non-binding agreement stated that the two sides “‘intend to cooperate, subject to their respective national laws,’ in a variety of nuclear activities.”\(^{32}\) On 14 November 2008, President Bush approved the proposed “Agreement for Cooperation Between the Government of the United States of America and the Government of the United Arab Emirates Concerning Peaceful Uses of Nuclear Energy,” and recommended to Rice and Secretary of Energy Samuel Bodman that the pact be signed. “I have determined,” he wrote, “that the performance of the Agreement will promote, and will not constitute an unreasonable risk to, the common defense and security.”\(^{33}\)

The Bush administration signed the pact — known as a “123 Agreement” after Section 123 of the U.S. Atomic Energy Act that sets the guidelines for civilian nuclear assistance — on 16 January 2009, days before the end of the administration. During the signing ceremony with Nahyan, Rice reaffirmed, “We are here to sign this as a tangible expression of the United States’ desire for active cooperation with states in the Middle East and around the world to meet their energy needs in a manner that is consistent with the highest standards of safety, security and non-proliferation.”\(^{34}\) As part of the agreement, the UAE pledged to “forgo any domestic fuel enrichment or reprocessing capability, in favor of long-term external fuel supply.

\(^{31}\) United Arab Emirates, “Policy of the United Arab Emirates,” Background.


\(^{34}\) KUNA (Kuwait), “US, UAE Sign Deal for Peaceful Uses of Nuclear Energy,” BBC Monitoring Middle East, 16 January 2009.
arrangements.”

**A Final Agreement**

Though the U.S. and UAE had signed the original agreement in January, the deal was re-evaluated by the Obama administration. In a memo to President Obama, Secretary of State Clinton and Secretary of Energy Steven Chu explained that the “two Governments subsequently decided to re-open the text, principally to add a provision explicitly prohibiting the UAE from possessing sensitive nuclear facilities … and engaging in ENR [enrichment and reprocessing] within its territory.” Nahyan traveled to Washington again in the spring and met with Clinton to finalize the deal.

On 19 May 2009, Obama authorized the new 123 Agreement, stating, like Bush, “I have determined that the performance of the Agreement will promote, and will not constitute an unreasonable risk to, the common defense and security. … I hereby approve the proposed Agreement and authorize the Secretary of State to arrange for its execution.” On 21 May, Deputy Secretary of State James Steinberg and Ambassador Otaiba signed the new agreement. That same day, the administration sent the deal to Congress, a step never taken by the Bush administration.

The final agreement stipulates that the two sides “intend to cooperate” in a number of

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37 WAM News Agency (UAE), “UAE Foreign Minister, Hilary Clinton Discuss Ties, Nuclear Proliferation,” BBC Monitoring Middle East, 9 April 2009.
40 The Atomic Energy Act allows Congress ninety days of continuous session to review a 123 agreement. Unless Congress adopts a joint resolution that condemns the agreement, it becomes active. See Blanchard and Kerr, “The United Arab Emirates Nuclear Program,” 10.
areas of nuclear development, including:

- “Development of requirements for grid-appropriate power reactors and fuel service arrangements for the United Arab Emirates”

- “Promotion of the establishment of a reliable source of nuclear fuel for future civil light water nuclear reactors deployed in the United Arab Emirates”

- “Civil nuclear energy training, human resource and infrastructure development, and appropriate application of civil nuclear energy and related energy technology, consistent with IAEA guidance and standards on milestones for infrastructure development”

- “Nuclear safety, security, safeguards and nonproliferation, including physical protection, export control and border security”

- “Identification of uranium mining and milling”

In his submission of the agreement to Congress, President Obama told the legislature that the “proposed Agreement has been negotiated in accordance with the [1954 Atomic Energy] Act and other applicable law. In my judgment, it meets all applicable statutory requirements and will advance the nonproliferation and other foreign policy interests of the United States.” Obama explicitly noted that the agreement “provides a comprehensive framework for peaceful nuclear cooperation with the United Arab Emirates (UAE) based on a mutual commitment to nuclear

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nonproliferation.” Moreover, he detailed that it “does not permit transfers of Restricted Data, sensitive nuclear technology, sensitive nuclear facilities, or major critical components of such facilities. In the event of termination of the Agreement, key nonproliferation conditions and controls continue with respect to material, equipment, and components subject to the Agreement.”

Because Congress did not move to veto the agreement, it was entered into force after an exchange of diplomatic notes on 17 December 2009. Otaiba announced on the occasion that the agreement “supports a new global gold standard for the development of peaceful, civilian nuclear energy, by countries that need nuclear energy for their economic development. … It also enhances the already deep strategic relationship between the UAE and the United States.”

Despite hints that the UAE would contract American firms to build the reactors — even as late as 17 December, Otaiba stated that his country “look[ed] forward to expanding our partnerships to work closely with a range of companies, experts and government officials” — on 27 December 2009 the government “signed a landmark deal … with the consortium led by South Korea’s state-owned KEPCO [Korea Electric Power Company] to construct four 1,400-megawatt nuclear power reactors.”

The consortium does include Pennsylvania-based

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Westinghouse, but beat out a U.S.-Japanese joint initiative led by General Electric and Hitachi.\textsuperscript{47} The deal is reportedly worth upwards of $40 billion — $20 billion to build four APR-1400 nuclear reactors, with an additional $20 billion that could be generated from other, longer-term arrangements.\textsuperscript{48}

**Risks**

The decision to assist the UAE’s civilian nuclear program carries strategic risks for the United States. This section reviews a number of those risks, including latent capabilities, sparking a regional arms race, and the transfer of technology to Iran.

**Latent Capabilities**

In order to understand the strategic risks posed by civilian nuclear technology, it is first important to acknowledge that civilian nuclear technology is dual use: states that build a civilian nuclear program are also laying the foundations for a military one. As such, countries that provide nuclear assistance enable recipients to develop a latent capability — the ability to transform civilian technology into a nuclear weapons program with relative ease.\textsuperscript{49} This is a time-delay problem: though a state receiving civilian aid may not have a current interest in developing weapons program, it will have the resources to begin doing so in the future.\textsuperscript{50}

While civilian nuclear assistance may not provide a recipient with a nuclear weapon, it “reduces the expected costs of a weapons program, making it more likely that a decision to begin

\textsuperscript{49} Quester, *Politics of Nuclear Proliferation*, 8; Meyer, *Dynamics of Nuclear Proliferation*, 112.
\textsuperscript{50} Meyer, *Dynamics of Nuclear Proliferation*, 1.
such a program will be made.”  

What is more, such civilian capabilities may actually incentivize seeking the bomb. Research continues to suggest that once “a country acquires the latent capacity to develop nuclear weapons, it is only a matter of time until it is expected to do so.”

Matthew Fuhrmann agrees that “countries receiving atomic assistance via nuclear cooperation agreements are more likely to desire the bomb, successfully manufacture it, and have larger arsenals.”

Some scholars may argue that the selling of reactors does not increase the risk of proliferation. To be sure, this dissertation does not claim that civilian nuclear technology poses the same risks as sensitive technology. Still, nuclear assistance, even if limited to civilian technology, facilitates a state’s nuclear weapons capability over the long run. As Fuhrmann has explained, “All types of civilian nuclear assistance raise the risks of proliferation. Peaceful nuclear cooperation and proliferation are causally connected because of the dual-use nature of nuclear technology and know-how. Civilian cooperation provides technology and materials necessary for a nuclear weapons program and helps to establish expertise in matters relevant to building the bomb.”

51 Fuhrmann, “Spreading Temptation,” 13. Meyer echoes, “The more quantitatively and qualitatively developed a state’s latent capacity, the lower the direct financial and technical costs of ‘going nuclear,’ and the shorter the lag time.” Meyer, Dynamics of Nuclear Proliferation, 149. Montgomery and Sagan aver, “Proliferation is a process by which countries move closer to or away from different thresholds toward developing the bomb.” Montgomery and Sagan, “The Perils of Predicting Proliferation,” 308-9.
53 Fuhrmann, “Taking a Walk on the Supply Side,” 182. For more on sensitive nuclear assistance, see Kroenig, “Importing the Bomb,” 162.
54 Potter aptly notes, “It does not follow that, because there are no clearly distinguishable ‘peaceful’ or ‘military’ nuclear technologies or ‘good’ or ‘bad’ atoms, all nuclear activities are equally dangerous. Nor is it correct to assume that all aspects of civilian nuclear power contribute equally to the development of a nuclear weapons potential.” Potter, Nuclear Power and Nonproliferation, 5-6.
Even if Fuhrmann’s reasoning contravenes the conventional wisdom held by some experts of nuclear development, it aligns with the behavior exhibited by U.S. policymakers, who have shown an aversion to the transfer of civilian nuclear technology. American analysts and decisionmakers certainly recognized future risks when considering the UAE deal; contemporary commentators worried aloud that “nuclear power can give a country the technological expertise and infrastructure that could become the foundation for a clandestine weapons program.” A Congressional aide who worked on the UAE deal conceded, “Any nuclear facility is a step towards military capability, even if it’s a tiny thing where the government doesn’t even want nuclear weapons.” During a House Committee on Foreign Affairs hearing about the agreement, Ranking Member Ileana Ros-Lehtinen stressed that “there is no sharp dividing line between the facilities, materials, technology, and expertise used for peaceful purposes, such as generating electricity and those used in nuclear weapons or weapons programs.”

If the selling of reactors did not pose a long-term risk, then the United States government would categorically and without hesitation promote such sales to all countries. Instead, Washington has not only implemented a stringent set of export controls, but has also refused to cooperate with many countries in their pursuit of civilian nuclear technology. While the UAE deal was negotiated, U.S. officials rejected the idea of working with Libya on civilian nuclear development; it is also difficult to imagine that the United States would sell comparable reactors to adversaries such as Venezuela, Syria, or Cuba. To be sure, such aversion is not limited to

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57 Interview with Congressional aide, 14 January 2011. This interview was conducted in confidentiality; the name and exact position of the interviewee is withheld by mutual agreement.
58 Ros-Lehtinen, House Committee on Foreign Affairs, *Nuclear Cooperation with the United Arab Emirates*, 5.
59 Patricia McNerney, Interview with author, 24 February 2011.
enemies: the current hesitation of American policymakers to sign a nuclear cooperation agreement with Jordan embodies the belief held by many decisionmakers that such transfers can, in fact, constitute a long-term risk to U.S. security. That risk may be low probability, but it has a high enough impact to render officials risk averse.

In sum, the United States is risking that over time, its assistance to the UAE will be used to build a nuclear weapons program. Ian Jackson estimates that the UAE “would probably gain sufficient domestic capability to weaponize its civil nuclear energy program within ten years.”

That weapons capability could, in turn, one day threaten U.S. interests.

*Nth Country Problem*

U.S. nuclear assistance to the UAE also runs the strategic risk of sparking an arms race in a volatile region, a development that would be inimical to American interests. This concern over the spread of nuclear weapons — known as the nth country (or nth power) problem — has been acknowledged as a risk in the UAE deal. Chairman of the House Subcommittee on the Middle East and South Asia Gary Ackerman has stated, “My general concern is, what are the implications, the broader implications of a 123 agreement; and does it set off a nuclear energy reaction within the region — especially a region where opening any Pandora’s box is generally a dangerous thing to do, because it is more of a ‘tinderboxical’ region than any place else in the world.” The Congressional aide similarly voiced concern that “copycats” could emerge. “What does [a nuclear program] do to everyone else in the region?” he asked. “It creates fear, envy, and

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62 Ackerman, House Committee on Foreign Affairs, *Nuclear Cooperation with the United Arab Emirates*, 6.
Re-export to Iran

U.S. nuclear assistance also runs the acknowledged risk that the UAE could transfer technologies to Iran, whose own nuclear weapons program is regarded as a principal strategic threat to American interests. The UAE and Iran have a long history of strong economic ties: the two countries are only thirty miles apart, and UAE exports to Iran hover around $10 billion annually. Much of the trade between the two countries, however, centers on the illicit. The Emirates have “served as Iran’s commercial gateway to the rest of the world, helping the country acquire sanctioned commodities that it could not otherwise obtain.” The United States has reacted negatively to these events: over the past decade, it has charged the UAE with not enforcing sanctions or trade restrictions against Tehran. Washington has also claimed that the Emirates allow banks to launder money for Iran’s nuclear program. The U.S. government has sanctioned UAE firms for selling dual-use and military technologies to Iran, and as late as 2007 the U.S. Department of Commerce considered naming the UAE a “diversion risk” state.

There is, therefore, the possibility that American nuclear technology will end up in Iranian hands, either through espionage or deliberate transfer. While the Iranian program may be relatively advanced, it could still benefit from exposure to American techniques and technologies, which may potentially enhance the efficiency and safety of Iran’s enrichment and reprocessing efforts. Most saliently for the scope of this dissertation, U.S. analysts and

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63 Interview with Congressional aide, 14 January 2011.
64 Cordesman and Allison, “U.S. and Iranian Strategic Competition,” 28-29.
policymakers have cited this risk as highly worrisome. “For nuclear suppliers concerned about the proliferation of sensitive technologies to Iran,” writes Early, “the UAE’s geographic proximity, close commercial relationship, and strong social ties with Iran raise significant concerns about sharing advanced nuclear technologies with the UAE.”68 A Congressional analyst asserted that it is the “concern about the leakage of technology to Iran, via the UAE, that underpins much of the concern about a U.S.-UAE agreement.”69 Representative Edward Markey has stated that he opposes the nuclear agreement because the “UAE’s record of protecting sensitive technologies is extraordinarily poor, having served as the commercial headquarters of A.Q. Khan while he jumpstarted nuclear weapons program in Iran, North Korea, and Libya. The United Arab Emirates is not a country, and the Middle East is not a region, where it is appropriate to export dangerous nuclear technology at this time.”70 Representative Ros-Lehtinen has echoed these concerns, stating, “UAE’s long history as a conduit for Iran’s nuclear weapons program, its failure to fully implement effective export controls, and the danger of expanding nuclear facilities and expertise in the Middle East make this agreement a dangerous precedent.”71

**Shifts in the Balance of Threat**

The decision by U.S. policymakers to discount these strategic risks was motivated by a perceived need to counter the immediate and acute threat posed by a nuclearizing Iran. More specifically, the Bush and Obama administrations discounted the future strategic risks associated with nuclear assistance because Iran’s progress and increased regional aggression was an

70 Markey, House Committee on Foreign Affairs, Nuclear Cooperation with the United Arab Emirates, 14.
imminent danger to American interests; the shock in this case in not a single event, but rather a slower-burning crisis that, by 2007, had come to represent an acute threat. This section briefly reviews the increase in threat and then demonstrates how that shift compelled American decisionmakers to become risk acceptant in aiding the UAE nuclear program.

An Effective and Aggressive Strategy

By 2007, U.S. officials had come to perceive that Iran was posing an immediate and acute threat to its interests. This took two, equally important forms. First, Iran had made significant progress on its nuclear program; the long-term threat posed by the project was first perceived as more imminent when Tehran acknowledged in 2002 that its facilities at Natanz and Arak “could potentially be used to produce fissile material useful for a nuclear weapon” and in 2003 when it came to light that A.Q. Khan sold Iran weapons technology and designs.”72 While the wars in Afghanistan and Iraq took top priority in the years immediately following these discoveries, the imposition of sanctions in 2006, which followed Iran’s rejection of Western overtures to negotiate, reflected a growing sense that Iran’s nuclear program had advanced too far. Second, Iran increasingly displayed aggressive behavior toward U.S. interests in the region: Vice President Dick Cheney recalls that Iran was a “determined and ruthless enemy” that was not only “committed to causing mass casualties among Iraqi civilians and American soldiers,” but was also “providing weapons to the Taliban in Afghanistan” and “involved in supporting Hezbollah in its efforts to threaten Israel and destabilize the Lebanese government. [Iran and Syria] constituted a major threat to America’s interests in the Middle East.”73

73 Cheney, In My Time, 434, 470. A Washington Post article detailed that Tehran had “deepened its relationship with Palestinian Islamic groups. … In Lebanon and Iraq, Iran is fighting proxy battles against the United States with
U.S. policymakers at the time commented widely on these alarming developments. In January of 2007, outgoing Director of National Intelligence John Negroponte told Congress that the United States urgently needed to confront Iran, stating that “Iran’s influence is growing across the region ‘in ways that go beyond the menace of its nuclear program.’” That same month, Cheney stated, “The threat Iran represents is growing. It’s multidimensional. And it is, in fact, of concern to everybody in the region.” By February of 2007, the United States had moved a second aircraft carrier group into the Gulf. In July of 2007, Rice echoed, “There isn’t a doubt that Iran constitutes the … most important single-country strategic challenge to the United States and to the kind of the Middle East that we want to see.” Again, these developments took place against the backdrop of advances in the Iranian nuclear program: Cheney writes that Iran “had a robust program under way based on uranium enrichment centrifuge technology. Estimates were they could have three thousand centrifuges in operation by the end of 2007.”

U.S. policymakers found it imperative to address the dangers posed by Iran: Cheney relayed that in June of 2007, “I told the president we needed a more effective and aggressive

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78 Cheney, In My Time, 470.
strategy to counter these threats."79 The resulting strategic partnerships and networks became increasingly important when the 2007 National Intelligence Estimate — which stated that the intelligence community “judge[d] with high confidence that in fall 2003, Tehran halted its nuclear weapons Program” — seemed to hamstring the administration’s Iran policy.80 Indeed, Cheney notes that the NIE “precluded us from considering as robust a range of options as we might have otherwise.”81

Efforts to ally with Iran’s neighbors were highlighted during President Bush’s January 2008 trip to the region. Before embarking, he stated, “Part of the reason I’m going to the Middle East is to make it abundantly clear to nations in that part of the world that we view Iran as a threat, and that the [National Intelligence Estimate] in no way lessens that threat, but in fact clarifies the threat.”82 Bush employed this rhetoric throughout the remainder of his term, stating in his final weeks in office, “Iran was a threat, Iran is a threat, and Iran will continue to be a threat if they are allowed to learn how to enrich uranium.”83 While President Obama at first reached out to Iran for dialogue, administration officials have “expressed doubts” that “outreach to Iran would be successful. Clinton ‘said she is doubtful that Iran will respond to any kind of engagement and opening the hand out and reaching out to them.”84 Those statements by

79 Cheney, In My Time, 470.
81 Cheney, In My Time, 478-79.
Secretary Clinton came on the eve of the nuclear deal with the UAE; at a March 2009 meeting with the UAE foreign minister, Clinton reportedly said that the United States harbors “no illusions about Iran and our eyes are wide open.”85

A Nuclear Hedge

The United States has pursued a policy of strengthening Iran’s neighbors as a means of countering the immediate and acute threat posed by a nuclearizing Iran. This plan was perhaps born of necessity: bogged down by its wars in Iraq and Afghanistan, the United States placed high emphasis, but had few resources, to contain its adversary effectively. These logics have guided U.S. civilian nuclear assistance to the UAE: nuclear cooperation not only cements the U.S.-UAE alliance — which aims at constricting Iran — but also serves as a balancing counterweight to the Iranian nuclear program.86

Iran has, in the words of the Congressional aide, “formed the context of the UAE deal” and was the “impetus” for the U.S. nuclear cooperation agreement.87 The Emirates’ enmity toward Tehran has made it a valuable partner for the United States: decisionmakers in Washington have touted the fact that the “UAE considers Iran to be … its most significant

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86 There is a theoretical basis to believe that American assistance was grounded in strategic logic. Fuhrmann has demonstrated that “countries provide nuclear assistance for three strategic reasons: to strengthen their allies and alliances; to develop closer relationships with enemies of enemies; and — if the supplier is a democracy — to strengthen democracies and relationships with democracies.” Fuhrmann, “Taking a Walk on the Supply Side,” 187. He elaborates that nuclear assistance “is useful in achieving this strategic objective for two reasons. First, it allows a supplier state to develop a closer relationship with the importing state, improving its ability to balance the threatening state’s power. … Second, civilian nuclear cooperation with a threatening state’s enemy also constrains its power by making it more difficult for the threatening state to exert influence or aggression against its enemy (e.g. the recipient). … Since nuclear technology is dual-use in nature, the threatening state may worry that nuclear trade for peaceful purposes could enhance the recipient state’s ability to build nuclear weapons.” Fuhrmann, “Taking a Walk on the Supply Side,” 189. Early echoes, “As history has shown, it has been fairly common for states to employ ‘nuclear diplomacy’ as a means of strengthening their alliances and balancing against their adversaries.” Early, “Acquiring Foreign Nuclear Assistance,” 262.
87 Interview with Congressional aide, 14 January 2011.
security threat” and that the Emirates “live in the shadow of Iran” and “so they look to the United States for leadership [and] protection.” These shared concerns over Iran proved to be important factors as U.S. decisionmakers weighed the risks of nuclear assistance. In a hearing on the deal, Representative Howard Berman, the Chairman of the House Committee on Foreign Affairs, stated, “I and many other members of Congress place a very high priority on the international effort to prevent Iran from acquiring a nuclear weapons capability and will be analyzing this and any other nuclear cooperation agreement in the context of how it implicates the attainment of that goal.”

Observers have long argued that American civilian nuclear assistance to the UAE is grounded in strategic logic. In April of 2007, the New York Times wrote that the Gulf States, including the UAE, “say they only want atomic power. Some probably do. But United States government and private analysts say they believe that the rush of activity is also intended to counter the threat of a nuclear Iran.” A year later, the same paper editorialized that there are “alarming signs that this sudden enthusiasm [for nuclear power and technology] is driven less by concerns about the climate, or declining oil supplies, than by Iran’s growing nuclear proficiency.” Indeed, energy demand cannot adequately explain the UAE’s need for such capabilities. “This is not primarily about nuclear energy,” states Joseph Cirincione. “It’s a hedge against Iran.” The Congressional aide concurred, “I wondered why the UAE, which has enormous energy resources, would need nuclear power. It’s very expensive and not cost

88 Berman, House Committee on Foreign Affairs, Nuclear Cooperation with the United Arab Emirates, 3; John Negroponte. Interview with author. 2 February 2011.
effective. It’s not going to save money in the UAE by building these reactors. But the political rationale is clear: what would this do to the security in the region? Clearly this is in some sense prompted by Iran’s nuclear program.”

Numerous analysts have echoed Cirincione’s insight that the UAE’s civilian program is a “hedge” against Iran. Then-Director General of the International Atomic Energy Agency Mohamed ElBaradei has affirmed, “You don’t really even need to have a nuclear weapon. It’s enough to buy yourself an insurance policy by developing the capability, and then sit on it. Let’s not kid ourselves: Ninety percent of it is insurance, a deterrence.”

Jackson too has written that a “matching civil nuclear energy programme undertaken jointly and rapidly by Gulf Arab states would be a sensible strategic precaution [against the Iranian program]. A civil nuclear energy programme has an implied military deterrent value because it keeps opponents guessing about whether the state also has a hidden nuclear weapons capability.”

Representative Markey has explained, “We cannot understand the nuclear ambitions of the UAE and other countries in the region without recognizing that they are acting at least partly in response to Iran. … Iran’s neighbors are pursing nuclear energy programs at least partly as a hedge against Iran’s continuing nuclear program.”

While most U.S. officials continue to stress publicly that the Emirates’ program will only be used for civilian purposes, others have privately confirmed that the program can serve as a strategic counterweight to Iranian behavior and growing capabilities. The Congressional aide summarized, “Some concerns just outweigh the others. … We need to do something about Iran

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93 Interview with Congressional aide, 14 January 2011.
95 Jackson, “Nuclear Energy and Proliferation Risks,” 1159.
96 Markey, House Committee on Foreign Affairs, Nuclear Cooperation with the United Arab Emirates, 15.
now.” In other words, the United States has sought to balance against the immediate and acute threat posed by a nuclearizing Iran.

**Counterpoint to Iran**

American nuclear assistance to the UAE further addresses the Iranian threat by providing a counterpoint to the Iranian nuclear program. U.S. officials have “champion[ed] the U.A.E. as a role model for other developing countries and as a counterexample to Iran.” Patricia McNerney, who was acting head of the State Department’s International Security and Nonproliferation Bureau and took a leading role in negotiating the original agreement, explained that in considering aid to the UAE, the United States was “looking to have a counterpoint” to the “flouting of some of the rules on enrichment and reprocessing by Iran.” McNerney confirmed that the “dominance of Iran, its ability to influence its neighbors, was very much on the minds of the U.S. government and continues to be.”

Other U.S. officials have publicly advanced this viewpoint. Drawing a contrast to Iran, Secretary Rice on 16 January 2008, stated, “The UAE is choosing to pursue nuclear power via the import of nuclear fuel, rather than developing expensive and proliferation-sensitive fuel cycle technologies, such as uranium enrichment and reprocessing. This is a powerful and timely model for the world and the region.” In a Congressional hearing on the UAE program, Tauscher similarly declared that “U.S. cooperation with the UAE will also serve as a distinct counterpoint

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97 Interview with Congressional aide, 14 January 2011.
99 Patricia McNerney, Interview with author, 24 February 2011.
100 Patricia McNerney, Interview with author, 24 February 2011.
to those countries have chosen a different path, in particular Iran.”102 Jackie Wolcott, a U.S. envoy who worked on the original deal, has also stated, “This is the kind of counterexample to Iran we need to actively support.”103 In a press release after the signing in May 2009, the State Department explicitly stated that the pact “stands in direct contrast to Iran’s nuclear program, which remains a matter of grave concern to the international community.”104

Risk Management

American policymakers believed that they could manage the risks associated with aiding the UAE nuclear program, which in turn increased their willingness to discount the future strategic risks associated with that policy.

Ex Ante Risk Management

This section reviews ex ante risk management strategies and how they informed the risk calculi of U.S. decisionmakers. As discussed in Chapter One, states can communicate their stable and predictable future policies by participating in institutions or performing costly signals. These credible commitments can, in turn, increase a principal’s risk tolerance.105 This section shows that the United States felt it would be able to manage the risks associated with civilian nuclear assistance because the UAE participated in international institutions and undertook costly signals through domestic law and enforcement, public statements, and — most critically — a pledge to forgo enrichment and reprocessing.

102 Tauscher, House Committee on Foreign Affairs, Nuclear Cooperation with the United Arab Emirates, 26.
105 Such actions have long carried weight in the nuclear arena: Richard Kennedy, who served as President Reagan’s Ambassador-at-Large for nuclear proliferation, writes that the “best way for a nation to demonstrate its bona fides … is to accept safeguards in spirit as well as in the letter.” Kennedy, “Nuclear Trade,” 28.
International Institutions. The United Arab Emirates’ willingness to participate in international regimes and institutions lessened U.S. perceptions of risk. A signatory to the NPT since 26 September 1995, the UAE in April of 2008 endorsed the Global Initiative to Combat Nuclear Terrorism, an “action-oriented, flexible network of partner nations working to address all aspects of the nuclear terrorism threat, including deterrence, denial, detection, material confiscation, and response.” On 8 April 2009, the UAE also signed the IAEA’s Additional Protocol, a strengthened set of safeguards that grants greater access to IAEA inspectors. Hamad Al-Ka’bi, the UAE’s Permanent Representative to the International Atomic Energy Agency, later stated that signing the protocol was a “significant step for the UAE government in meeting its commitments to maintain the highest standards of non-proliferation and complete operational transparency in its peaceful nuclear energy programme, and consistent with UAE efforts and continued advocacy to strengthen the IAEA safeguards system and the nuclear non-proliferation regime.” On 31 July 2009, the UAE “formally accepted the Amendment to the Convention on the Physical Protection of Nuclear Material. In its nuclear energy white paper, the UAE further announced its intent to adopt the NSG Export Guidelines and to become an NSG participant.”

These acts had the explicit aim of signaling predictable and safe future policies: an Emirati official stated, “The UAE decision to join these international instruments is consistent with [the] UAE commitment to maintain the highest standards of safety, security and non proliferation in

its efforts to evaluate and develop a peaceful nuclear energy program.”

U.S. policymakers noted that UAE participation in these institutions has affected risk assessments. Negroponte affirmed, “These are factors affecting risk: membership in the NPT, not trying to acquire the fuel cycle, full scope safeguards.” In her Congressional testimony, Tauscher went through a “checklist” of the UAE’s “strong nonproliferation credentials,” which included signing and ratifying the NPT, the Additional Protocol, the Convention on the Physical Protection of Nuclear Material, and the International Convention on the Suppression of Acts of Nuclear Terrorism. In his Senate confirmation hearing to be the ambassador to the UAE, Richard Olson stated, “‘The UAE is committed to preventing the proliferation of weapons of mass destruction.’ He noted … the country’s endorsement of [the Proliferation Security Initiative] in 2006 and the passage in 2007 of what he called a ‘comprehensive export control law empowering the federal authorities to take action against companies or shipments threatening UAE national security.’”

The agreement that President Obama submitted to Congress also recognized these factors explicitly. In his accompanying letter, Obama stated that the “UAE is a non-nuclear-weapon State party to the Treaty on the Non-Proliferation of Nuclear Weapons.” The agreement lauded the Emirates’ “desire to promote universal adherence to the NPT” and “their support for the International Atomic Energy Agency (IAEA) and its safeguards system, including the

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110 John Negroponte, Interview with author, 2 February 2011.
111 Tauscher, House Committee on Foreign Affairs, Nuclear Cooperation with the United Arab Emirates, 24-25.
Additional Protocol.” Moreover, it stipulated that continued cooperation was dependent upon the “application of IAEA safeguards” and that the UAE “terminate the existing Small Quantities Protocol and bring into force the Additional Protocol approved by the IAEA Board of Governors.”

It is also worth noting that the agreement itself is an institution that, by extracting promises about future policies, has lent to the risk acceptance of U.S. decisionmakers. The State Department announced that the original MOUs were “useful tools for cooperating with countries which are interested in the responsible use of nuclear energy because they create opportunities to solicit specific commitments with regard to safeguards and technology choices.” In a 21 May 2009 press release about the final agreement, Foggy Bottom similarly stated, “In signing this Agreement, the UAE has demonstrated its commitment to develop civil nuclear energy responsibly, in full conformity with its nonproliferation commitments and obligations.”

**Domestic Law and Enforcement.** The UAE has passed a series of domestic laws to signal its commitment to nonproliferation. In August of 2007, the UAE “adopted a stronger national export control law” that aimed to curb illicit re-export and transshipments. More specifically, it “established a legal regime for control of exports and imports of sensitive goods including nuclear-related commodities, software, and technology.” In October of 2009, the UAE

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government also signed into law a “regulatory framework for building ‘a peaceful nuclear energy sector.’”\textsuperscript{120} The national law, which authorized the Emirates’ nuclear program, “prohibits uranium enrichment and spent fuel reprocessing, creates a Federal Authority for Nuclear Regulation (FANR), and develops a nuclear material licensing and control system.”\textsuperscript{121}

These initiatives clearly aimed to signal that nuclear technologies would not find their way to Iran, and were complemented by an initiative, beginning in 2007, to curtail “Iranian trafficking in military technology. [The UAE] government … enacted tough export controls, restricted the number of business visas to Iranians and closed numerous suspected front companies.”\textsuperscript{122} Not only did UAE authorities crack down on illegal smuggling and banking in the country, they also made sure that American officials were aware of these developments: UAE lobbyists sent letters to lawmakers “highlighting the steps the country has taken to prevent illicit goods from moving across its borders, including stopping and inspecting cargo ships.”\textsuperscript{123} The UAE’s willingness to partner with the United States on many of these measures has further added confidence to the relationship.\textsuperscript{124}

U.S. decisionmakers have pointed to these laws and initiatives as proof that the UAE is a trustworthy, stable recipient of nuclear technology. Vann H. Van Diepen, the Principal Deputy Assistant Secretary of State for International Security and Nonproliferation, has stated that it is “very clear to us that the UAE government at the highest levels … has internalized and

\textsuperscript{121}Blanchard and Kerr, “The United Arab Emirates Nuclear Program,” 5.
\textsuperscript{124}Interview with Congressional aide, 14 January 2011. Washington has lauded the Emirates for helping track down and arrest Al Qaeda operatives, investigating possible sources of terrorist financing, and “strengthening its bureaucracy and legal framework to combat terrorism.” Katzman, “The United Arab Emirates,” 7.
understands the importance of nonproliferation and of dealing with the proliferation problems through effective action. And the UAE has taken a lot of very important steps, not just passing legislation but in terms of stopping specific shipments, shutting down companies, dealing with specific individuals.”

Advocating for the nuclear cooperation agreement, Tauscher similarly emphasized, “It is well known that the UAE has been a transshipment hub for sensitive items and was used by the A.Q. Khan network for some of its activities. In the last several years, however, the UAE has taken critical steps to address this problem. It helped the United States expose and shut down the Khan network by taking actions against firms and financial activities on its territory. The UAE has decided at the highest levels not to be a source of proliferation in the future.”

Public Statements. Public statements by UAE officials have also informed the risk calculus of U.S. decisionmakers. The 20 April 2008 UAE White Paper — “Policy of the United Arab Emirates on the Evaluation and Potential Development of Peaceful Nuclear Energy” — was a prominent example of this strategy. In an introduction that showcased the government’s intent to allay concerns over risk, the document stated that the UAE was “committed to complete operational transparency,” “committed to pursuing the highest standards of non-proliferation,” and “will work directly with the IAEA and conform to its standards in evaluating and potentially establishing a peaceful nuclear energy program.”

The UAE explained that it “recognizes that a commitment to complete operational

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126 Tauscher, House Committee on Foreign Affairs, Nuclear Cooperation with the United Arab Emirates, 18. She continued, “It has worked closely with the United States to prevent the diversion of U.S.-origin goods and technology through its territories. It is taking action against companies engaged in proliferation-related activities, and it has indicated it has stopped shipments of WMD-related goods to countries of concern.” Tauscher, House Committee on Foreign Affairs, Nuclear Cooperation with the United Arab Emirates, 19.
127 United Arab Emirates, “Policy of the United Arab Emirates,” 1.
transparency is essential to gain domestic support and assure the international community, potential bilateral partners and international nuclear supervisory bodies of the peaceful intentions of any nuclear program undertaken by the UAE.\textsuperscript{128} The country promised it would, among other acts, “take immediate steps to adopt and enforce all major international non-proliferation instruments, including the IAEA Additional Protocol to the Safeguards Agreement.”\textsuperscript{129} Reiterating its acceptance of oversight and monitoring mechanisms, the government pledged that the “UAE will strictly abide by the obligation to provide information covering all aspects of nuclear activities as well as any import of nuclear-related equipment and technology. Expanded inspection rights will be granted to the IAEA, including inspection of declared facilities as well as any undeclared facilities.”\textsuperscript{130} Finally, the government declared that it “considers non-proliferation to be of the highest importance” and promised to “strengthen its export control regime to block and respond effectively to illicit trade of nuclear material or equipment.”\textsuperscript{131}

U.S. officials touted the White Paper as an important indicator of future behavior: Tauscher cited it during Congressional testimony, stating, “In it, the UAE committed itself inter alia to ‘pursuing the highest standards of nonproliferation’ and ‘the highest standards of safety and security.’”\textsuperscript{132} McNerney explained that to American decisionmakers, public statements such as these are “certainly” perceived as minimizing the risk that latent technology will be transformed into nuclear capabilities.\textsuperscript{133}

Article Seven. Perhaps the most significant act of costly signaling was the UAE’s decision not to

\textsuperscript{128} United Arab Emirates, “Policy of the United Arab Emirates,” 2.
\textsuperscript{129} United Arab Emirates, “Policy of the United Arab Emirates,” 2-3.
\textsuperscript{130} United Arab Emirates, “Policy of the United Arab Emirates,” 3.
\textsuperscript{131} United Arab Emirates, “Policy of the United Arab Emirates,” 3, 8.
\textsuperscript{132} Tauscher, House Committee on Foreign Affairs, Nuclear Cooperation with the United Arab Emirates, 26.
\textsuperscript{133} Patricia McNerney, Interview with author, 24 February 2011.
enrich or reprocess uranium, the fuel cycle activities most closely related to weapons
development.\textsuperscript{134} The idea was suggested in early 2007 — before the signing of the MOU —
when an American delegation led by McNerney met with UAE officials to discuss a potential
nuclear agreement.\textsuperscript{135} The UAE affirmed the commitment in its White Paper, declaring that it
“will not be involved in nuclear fuel-cycle activities beyond those that would be required for the
management and disposal of radioactive waste” and that “[i]n lieu of domestic enrichment and
reprocessing, the UAE would seek to conclude long-term arrangements with reliable and
responsible governments and contractors for the secure supply of nuclear fuel, as well as the safe
and secure transportation and, if available, the disposal of spent fuel via fuel leasing or other
emerging fuel supply arrangements.”\textsuperscript{136} This policy was intended to assuage the concerns of
international partners: the document explained that a “number of factors underlie this view,
including the … concerns from the international community regarding spent fuel reprocessing
and enrichment plants in developing countries, and the dual-use nature of components employed
in fuel fabrication and processing.”\textsuperscript{137} After the signing of the MOU on 21 April 2008 (a day
after the White Paper was issued), the U.S. State Department underscored this commitment,
releasing a statement that read, “The UAE’s recently-announced policy on domestic nuclear
energy, which notes that the UAE chose to forgo a costly domestic reprocessing and enrichment
capability in favor of long-term arrangements for the assured supply of foreign-manufactured

\textsuperscript{134} Early, “Acquiring Foreign Nuclear Assistance,” 268; Jackson, “Nuclear Energy and Proliferation Risks,” 1171.
\textsuperscript{135} Patricia McNerney, Interview with author, 24 February 2011.
\textsuperscript{136} United Arab Emirates, “Policy of the United Arab Emirates,” 9.
\textsuperscript{137} United Arab Emirates, “Policy of the United Arab Emirates,” 9. This promise clearly influenced decisionmakers
in Washington: the May 2009 agreement affirmed the “commitment of the United Arab Emirates, embodied in its
March [sic] 2008 White Paper … to pursue a renunciation of the development of domestic enrichment and
reprocessing capabilities.” Agreement for Cooperation Between the Government of the United States of America
nuclear fuel, serves as a model for the economical and responsible pursuit of nuclear power.”

That pledge would ultimately become a central component of the 21 May agreement. Article Seven of that text stipulates that the United Arab Emirates “shall not possess sensitive nuclear facilities within its territory or otherwise engage in activities within its territory for, or relating to, the enrichment or reprocessing of material, or for the alteration in form or content … of plutonium, uranium 233, high enriched uranium, or irradiated source or special fissionable material.” In his accompanying letter, Obama highlighted the article, writing, “The Agreement provides a comprehensive framework for peaceful nuclear cooperation with the United Arab Emirates (UAE) based on a mutual commitment to nuclear nonproliferation. The United States and the UAE are entering into it in the context of a stated intention by the UAE to rely on existing international markets for nuclear fuel services as an alternative to the pursuit of enrichment and reprocessing. Article 7 will transform this UAE policy into a legally binding obligation from the UAE to the United States upon entry into force of the Agreement.”

A number of analysts and officials have pointed to Article Seven as the clause that made the civilian nuclear assistance palatable to U.S. decisionmakers. President Obama, Secretaries Clinton and Chu, and Chairman Berman have all noted that Article Seven is a “legally-binding obligation.” Negroponte recalled, “I do remember that what excited the Bush administration

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141 Barack Obama, “Message to the Congress Transmitting a Proposed Agreement for Cooperation Between the Government of the United States of America and the Government of the United Arab Emirates Concerning Peaceful
about this agreement, and I think it’s what made it attractive to the Obama administration, was the fact that they didn’t aspire to own any of the fuel cycle themselves. They were willing to rely on outside sources of fuel. That was considered a very positive thing.”

McNerney similarly explained that the UAE’s pledge to forgo enrichment and reprocessing was “a huge component of our willingness then to start talking about the underlying agreement for any U.S. cooperation.” Members of Congress even pinned their support of the deal to the inclusion of this language in the agreement’s text.

Ex Post Risk Management

In addition to these ex ante risk management factors, U.S. decisionmakers were influenced by their ability to pursue risk management ex post. This section reviews those strategies, as embodied by Article Thirteen of the agreement, restrictions on the types of nuclear transfers, and owning and shaping the risk of the UAE nuclear program.

Article Thirteen. The risk tolerance of U.S. decisionmakers was increased by their perceived ability to monitor the UAE’s nuclear program and subsequently halt assistance if they believed the UAE was breaking its nonproliferation commitments. This policy is enshrined in Article Thirteen of the agreement, which states, “If either Party at any time following entry into force of this Agreement: materially violates the provisions … or terminates, abrogates or materially violates a safeguards agreement with the IAEA; the other Party shall have the rights to cease further cooperation under this Agreement; to require the return of any material equipment or

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142 John Negroponte, Interview with author, 2 February 2011.
143 Patricia McNerney, Interview with author, 24 February 2011.
144 The wording was originally only in the preamble. Interview with Congressional aide, 14 January 2011.
components transferred under this Agreement and any special fissionable material produced through their use; and to terminate the Agreement by giving 90 days written notice.\textsuperscript{145} President Obama has written that Article Thirteen “provides, inter alia, that if the UAE at any time following entry into force of the Agreement materially violates Article 7, the United States will have a right to cease further cooperation under the Agreement, require the return of items subject to the Agreement, and terminate the Agreement.”\textsuperscript{146}

Other U.S. officials have similarly pointed to Article Thirteen as a mechanism for the United States to stay actively involved in the UAE’s nuclear program, which in turn should enable Washington to manage risk. Tauscher, for example, has stated, “You could say that this agreement has a very strong prenup in it. It is called Article 13. Where we make a very, very strong case for the cessation of cooperation or termination of the agreement should there be any enrichment of uranium or reprocessing of nuclear fuel within the territory or any termination or abrogation or material violations with the IAEA agreements.”\textsuperscript{147} She added, “We are confident that they are keeping up with their promises and their initiatives. But once again it will be our job to make sure that they follow through.”\textsuperscript{148} Chairman Berman similarly stated, “If the UAE violates this provision [not to enrich or reprocess], then the U.S. would have the legal right to terminate the agreement, prohibit all current and future transfers to the UAE, and demand the return of all equipment, material, and facilities previously provided.”\textsuperscript{149}

\textsuperscript{145} Agreement for Cooperation Between the Government of the United States of America and the Government of the United Arab Emirates Concerning Peaceful Uses of Nuclear Energy, 21 May 2009, 10.
\textsuperscript{147} Tauscher, House Committee on Foreign Affairs, \textit{Nuclear Cooperation with the United Arab Emirates}, 41.
\textsuperscript{148} Tauscher, House Committee on Foreign Affairs, \textit{Nuclear Cooperation with the United Arab Emirates}, 45.
\textsuperscript{149} Berman, House Committee on Foreign Affairs, \textit{Nuclear Cooperation with the United Arab Emirates}, 2.
Restrictions. The United States has also sought to manage risk by supplying the UAE with exclusively non-sensitive nuclear technologies. Members of the administration have been clear that the agreement “does not permit transfers of Restricted Data, sensitive nuclear technology, sensitive nuclear facilities, or major critical components of such facilities.” Tauscher has expounded, “It limits the special fissionable material that may be transferred under the Agreement to low enriched uranium except for small amounts of special fissionable material or use as samples, standards, detectors, targets or other purposes agreed by the parties.”

Owning and Shaping the Risk. One final aspect of risk management is present in the U.S.-UAE case. As the United States was considering whether to aid the Emirates’ nuclear program, it became increasingly clear that other countries — specifically France and South Korea — would be willing to do so regardless of the American position. As such, U.S. decisionmakers felt that by actively participating in the development of the UAE nuclear program, Washington would be better able to manage the risks associated with it, either by staying actively involved or by establishing a framework that other states would feel compelled to emulate.

U.S. policymakers have affirmed this idea. Tauscher has stated, “I think that what we have to do is step back and take a look at the region and understand that there are many other players on the field that are negotiating with these countries to provide civil nuclear and other

151 Tauscher, House Committee on Foreign Affairs, Nuclear Cooperation with the United Arab Emirates, 22.
152 Early argues that this was, in fact, part of the UAE’s strategy in courting the United States. He writes, “By forging a nuclear agreement with France first, the UAE undermined the ability of the United States to veto its nuclear ambitions. The UAE could then make the case that its nuclear program would go forward with or without U.S. cooperation, leaving Washington with only the decision as to whether it would contribute to the effort. For U.S. policymakers concerned about the proliferation risks posed by the UAE’s acquisition of a civilian nuclear program, the next-best strategy became one of finding ways to mitigate those risks by offering conditional assistance.” Early, “Acquiring Foreign Nuclear Assistance,” 266.
kinds of energy-related agreements. And what we have done, I think, is to set a very high bar.”

Berman echoed, “It is unlikely that the United States would be able to bring sufficient diplomatic pressure to bear against France, Russia, Canada, South Korea and all the others that could do this to convince them not to sell civil nuclear equipment or fuel to the UAE and other Gulf states, all of which are parties to the Nonproliferation Treaty, or NPT. That is the context in which we consider this agreement.”

McNerney similarly explained that the United States was able to “shape the land under which everyone else is going to go in to do business, because while this agreement is not binding on the UAE’s development with Korea for example, it nevertheless is their pledge about how they are going to go about nuclear development. And we certainly saw them make lots of public statements about wanting to do it the right way, and so this became a bit of a model then for the activity regardless then of which country comes in to make money off the deal.”

Negroponte averred, “[W]e’re probably better at [safe nuclear transfer] than other countries who already have this stuff and are in the business of shopping their products around. … Russia has a lot of problems with security, its facilities. And those are the competitors. In relative terms, if the world was supplied entirely by us it would probably be more secure.”

In perhaps the most colorful description of this reasoning, the Congressional aide stated, “The French have as many principles on this as a French whore. And all the Russians care about is if the check clears. … If we don’t sell, someone else will.”

**Alternative Explanation: Domestic Politics**


154 Berman, House Committee on Foreign Affairs, *Nuclear Cooperation with the United Arab Emirates*, 2.

155 Patricia McNerney, Interview with author, 24 February 2011.

156 John Negroponte, Interview with author, 2 February 2011.

157 Interview with Congressional aide, 14 January 2011.
Concerns over domestic politics did not significantly affect the risk assessments of U.S. decisionmakers. President Bush was in his second and final term when the deal was concluded, and President Obama faced no intense domestic pressure that could have impelled him to discount the future strategic risks of civilian nuclear assistance to the Emirates. Nor did acute domestic pressures compel Members of Congress to discount those risks: this section discusses UAE promises of job creation and benefits for U.S. industry, but ultimately argues that the power of these factors in explaining Congressional acceptance of the nuclear cooperation agreement is rather limited.

U.S. lawmakers were told that the civilian nuclear agreement held the promise of job creation: literature distributed by the U.S.-UAE Business Council pledged that the pact would create “10,000 U.S. jobs.” Writing in the Washington Times in October of 2009 (as Congress was considering the deal), John Engler, the President of the National Association of Manufacturers, stated that the agreement would “generate excellent jobs in the United States at a time of great economic distress.”

Congressmen may also have seen the agreement as a boon to U.S. industry. American firms were “salivating” at the prospect of winning the $40 billion deal, and early indications hinted that U.S. companies would prevail: in the fall of 2008, Thorium Power, CH2M Hill, and Rizzo and Associates — all American companies — signed contracts to be consultants and advisors to the project. Through 2009, American analysts and officials continued to speculate

158 Early, “Acquiring Foreign Nuclear Assistance,” 270.
that the UAE “may lean toward a US-led vendor consortium when it makes a selection.”\textsuperscript{161}

Indeed, Tauscher testified that “U.S. industry is poised to assist with the development of a nuclear power program in the UAE, and the Agreement for Cooperation will facilitate its involvement. U.S. technology in this area is leading-edge, and the United States anticipates that the UAE will give it strong consideration as the UAE moves forward in implementing its plans.”\textsuperscript{162}

The UAE actively lobbied American legislators to convince them that the deal would benefit the U.S. economy. Beginning in July of 2009, the UAE paid more than $1 million in fees to Akin Gump’s Vic Fazio (a ten-term California Democratic) and DLA Piper’s Dick Armey (a former House Republican majority leader) to lobby on behalf of the agreement.\textsuperscript{163} As the \textit{Associated Press} reported, “Putting sensitive nuclear gear into the hands of a country that once recognized the Taliban and is a trading partner with Iran has unnerved a small but vocal group of lawmakers who want President Barack Obama to put the deal on hold. But the U.A.E. and its lobbying corps are pressing for speedy passage, holding out the promise of jobs for American companies hit hard by a sagging economy.”\textsuperscript{164} Early echoes, “By playing up the deal’s prospective commercial benefits to the United States, its proponents crafted a potent message to


deter opposition to the agreement.”¹⁶⁵ The Congressional aide who worked on the deal averred that a “big selling point from the UAE and the Bush Administration [was] that this agreement means jobs.”¹⁶⁶

But these lobbying efforts ultimately do not carry great explanatory weight: not only did more powerful special interest groups, particularly pro-Israel organizations, express significant reservations about the deal, but no key Congressional decisionmaker stood to gain personally from the agreement.¹⁶⁷ In fact, the only Members who would benefit directly from the deal — Jason Altmire, Representative of Pennsylvania’s fourth district, where Westinghouse is located; and Jim Himes, Representative of Connecticut’s fourth district, where General Electric is headquartered — were second- and first-term Congressmen in 2009, hardly able to wield decisive influence on Capitol Hill. What is more, the DP World controversy in many ways highlighted the fact that cooperation with an Arab country, even one allied with the United States, was politically unpalatable to Members of Congress. In sum, concerns over domestic politics cannot explain U.S. civilian nuclear assistance to the UAE.

**Alternative Explanation: Trust**

The alternative explanation of trust is relatively easy to refute in this case. To begin, there is a lack of collective identification, as the United States and the UAE do not share social ties. The United States is a secular, Western country with an elected democratic government, while the UAE is a Muslim, Middle Eastern state where a ruling family dominates the political landscape. Nor can interpersonal connection adequately explain future risk discounting on the

¹⁶⁵ Early, “Acquiring Foreign Nuclear Assistance,” 270.
¹⁶⁶ Interview with Congressional aide, 14 January 2011.
¹⁶⁷ The congressional aide noted, “The UAE has no friends on the hill. A lot of people were opposed. Jewish groups weren’t outright opposed, but they didn’t like it.” Interview with Congressional aide, 14 January 2011.
part of American decisionmakers. While President Bush and Crown Prince Mohammed bin Zayed Al Nahyan enjoyed a warm personal relationship — Negroponte pointed out that Mohammad and his brother Abdullah spent time with the president at Camp David — the Bush and Obama administrations both demonstrated that such friendship was insufficient for entrusting the UAE with civilian nuclear technology. Indeed, by withholding such assistance until the UAE agreed to forgo enrichment and reprocessing, U.S. officials made plain that credible commitments — which are demanded in the absence of trust — were necessary for strategic risk acceptance. As such, the trust hypothesis does not carry weight in explaining U.S. assistance to the Emirates’ nuclear program.

**Alternative Explanation: Prestige**

The prestige explanation is similarly easy to dispute. As the world’s reigning power, the United States does not seek recognition of its capabilities, especially in the Middle East. Washington’s provision of civilian nuclear technology also does not reveal hitherto unknown military or technological advances. As such, prestige did not play a role in the decision by U.S. policymakers to accept the risks associated with civilian nuclear assistance to the United Arab Emirates.

**In-Case Variation**

Decisionmakers in Washington were initially unwilling to discount the future strategic risks of civilian nuclear assistance to the United Arab Emirates. UAE officials had raised the idea of nuclear cooperation with American policymakers before McNerney’s delegation traveled to the Middle East in 2007, but their request was denied. In the absence of an immediate and

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168 Interview with Congressional aide, 14 January 2011.
acute threat to American interests, U.S. decisionmakers remained risk averse and consequently would not agree to nuclear assistance. Furthermore, both the Bush and Obama administrations refused to move forward without sufficient ex ante risk management: neither administration agreed to partner with the Emirates unless the UAE pledged to forgo enrichment and reprocessing. In other words, assistance was withheld as long as this commitment was missing.

The risk tolerance of U.S. decisionmakers changed, however, when they perceived the threat from Iran as acute and immediate. While American leaders considered the Iranian nuclear program dangerous by 2003, that threat truly crystallized in 2007 after Iran “rebuffed” both U.S. overtures and European Union-led negotiations, and when events in Iraq and Afghanistan somewhat improved. By 2007, Iran’s nuclear progress, coupled with Tehran’s increasingly aggressive behavior toward American interests in the region, commanded the full attention of U.S. decisionmakers and led them to believe that aiding the UAE program could help counter the threat posed by Iran. This variation demonstrates the power of shifts in the balance of threat in explaining future strategic risk discounting.

And yet it is important to add that even while working to counter this threat, U.S. decisionmakers in both the Bush and Obama administrations did not move headlong into a cooperation agreement. Indeed, they refused to provide nuclear technology to the Emirates in the absence of sufficient costly signaling: the United States denied assistance until the UAE’s pledge to forgo enrichment and reprocessing was explicitly included in the nuclear cooperation agreement. U.S. officials also refused to move ahead without a provision — embodied in Article Thirteen — that allowed the United States to cut off aid, an ex post risk management strategy that increased the willingness of policymakers to discount future risks. Without these and other
risk management measures — including UAE participation in international institutions, the strengthening of domestic law enforcement, and restrictions on the types of nuclear transfers — the United States had refused nuclear assistance. This variation highlights the importance of risk management in explaining the willingness of leaders to discount security risks over time.

**Conclusion**

Civilian nuclear programs are not sufficient for developing atomic weapons, and most countries that have civilian technology have not pursued a weapons capability. Still, the transfer of such technology and know-how adds to a state’s ability to develop those weapons.\(^{169}\) Robert Boardman and James Keeley have noted, “Given their concern over the spread on nuclear capabilities, one might reasonably question the logic behind the encouragement given to the growth of this network. Leonard Beaton characterized US politics to promote the peaceful uses of atomic energy in other countries as ‘one of the most inexplicable political fantasies in history. Only a social psychologist could hope to explain why the possessor of the most terrible weapon in history should have sought to spread the necessary industry to produce them in the belief that this could make the world safer.’”\(^ {170}\) To be sure, U.S. officials remain generally averse to this type of assistance: McNerney has stated that “obviously there are limits to countries that we engage with as well on these kinds of issues” and — and aforementioned — stressed that policymakers refused to provide comparable technological aid to Libya.\(^ {171}\) And yet American decisionmakers have, in the case of the UAE, chosen to discount the future risks associated with nuclear assistance. Responding to the acute and immediate threats posed by Iran and incentivized

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\(^{171}\) Patricia McNerney, Interview with author, 24 February 2011.
by the perceived ability to manage such risks, United States decisionmakers agreed to help the United Arab Emirates develop a nuclear program.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Predictions Met?</th>
<th>Key Factors</th>
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<tr>
<td>Shifts in the Balance of Threat</td>
<td>Yes</td>
<td>Iranian nuclear program and aggressive behavior</td>
</tr>
<tr>
<td>Risk management</td>
<td>Yes</td>
<td>Ex ante: Participation in institutions; costly signaling through domestic law and enforcement, public statements, and pledge to forgo enrichment and reprocessing&lt;br&gt;Ex post: Article 13; restrictions on type of transfers; owning and shaping the risk</td>
</tr>
<tr>
<td>Domestic Politics</td>
<td>No</td>
<td>Neither President Bush nor President Obama faced significant domestic pressures; more powerful lobbying groups expressed reservations about pact; no key Congressional decisionmaker stood to gain personally from the deal; agreement was politically unpalatable</td>
</tr>
<tr>
<td>Trust</td>
<td>No</td>
<td>United States is a secular, Western country with an elected democratic government, UAE is a Muslim, Middle Eastern state where a ruling family dominates the political landscape</td>
</tr>
<tr>
<td>Prestige</td>
<td>No</td>
<td>U.S. is unipolar power and does not seek recognition of technological achievements</td>
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CHAPTER THREE
Soviet Nuclear Assistance to China

This chapter examines Soviet nuclear assistance to China from 1955 to 1959, during which time the Soviet government provided China with an array of civilian and military nuclear technologies. In doing so, Moscow risked not only that its neighbor would one day use the weapons to destroy the Soviet Union (“boomerang”), but also that a nuclear-armed China would become an emboldened player in the international arena that no longer respected Soviet policy preferences (“betrayal” and “emancipation”). The chapter first discusses the Sino-Soviet nuclear partnership and then tests Soviet support for the Chinese program against the variables in question. It focuses specifically on the decisionmaking of Nikita Khrushchev, who served as the key Soviet policymaker during these years and decided to supply China with nuclear technology.¹

Guided by the assumption that any type of nuclear assistance — civilian or military — facilitates a recipient country’s ability to construct atomic weapons, this case considers the entirety of Soviet nuclear transfers. It shows that nuclear assistance began in 1955 as a means of countering perceived U.S. threats to Soviet interests in Asia. The case further demonstrates not only that Khrushchev’s risk tolerance increased as a result of his perception that he could manage the future risks of nuclear aid — principally through ex post strategies — but also that assistance declined in 1959 when the Soviet leader sensed he could no longer control those risks. The case also argues that while domestic political concerns may have compelled Khrushchev to agree to provide China with sensitive nuclear technologies, such events increased his risk

¹ Liu and Liu, “Analysis of Soviet Technology Transfer,” 97. See also Zubok and Pleshakov, Inside the Kremlin’s Cold War, 181.
tolerance more in word than deed and therefore hold limited explanatory power.

**Background**

Though Soviet leaders had furtively given aid to communist Chinese forces at the close of World War II, formal cooperation between the two countries began in 1950. At that time, the Marshall Plan and NATO had curbed Moscow’s influence in the West. The opportunity to make gains in Asia — and in particular China — subsequently appeared “promising” to Soviet leaders. In February of 1950, Beijing and Moscow signed a treaty that provided for both military and civilian cooperation; the two sides pledged to “take all necessary joint measures to prevent repetition of aggression and breach of peace by Japan or other states [the U.S.] that would directly or indirectly unite with Japan in aggressive acts.” Andrei Gromyko, a Foreign Minister of the Soviet Union, explained that the treaty was aimed at establishing a Soviet stronghold in Asia and “represented a major step towards guaranteeing security not only for the Soviet Union and China but also for the Far East.”

The outbreak of the Korean War in June of 1950 reinforced the budding ties between China and the Soviet Union. Though he sought to avoid a direct confrontation with the United States, Soviet Premier Joseph Stalin still provided Beijing with hundreds of fighter jets and air cover for Chinese forces, cities, and transportation lines. Stalin placed high importance on the battle: despite the costly stalemate that ultimately prevailed on the Korean Peninsula, he and

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3 Gaddis, *We Now Know*, 72.
4 Gaddis, *We Now Know*, 72.
Chinese leader Mao Zedong “pursued an uncompromising line” that demanded the “complete expulsion of U.S. forces from Korea.” Only the death of Stalin in March of 1953 allowed the new leadership in Moscow to broker a ceasefire in Korea.

The ending of hostilities on the Korean Peninsula propelled Taiwan to newfound strategic importance. The U.S. had long been supportive of the anti-communist regime that had fled Mainland China to Taiwan, and the island became a “vital link in the American ‘island defense chain’ in the Western Pacific.” Naturally, the leadership in Beijing detested Washington’s support of its adversary and traded verbal barbs with the United States over the issue.

Hostilities between China and the U.S. reached a breaking point in September of 1954. On 3 September, the People’s Liberation Army (PLA) began shelling the islands of Quemoy and Matsu, as well as strafing the Tachen Islands. Two American soldiers died during the bombardment. When U.S. President Dwight Eisenhower threatened Beijing with devastating retaliation, the Soviets stood firmly by their ally. Indeed, while Stalin at times had tried to distance himself from the Chinese leadership, the post-Stalin Soviet government sought to strengthen its bonds with Beijing: not only did it increase military and financial assistance to China “a hundredfold,” but Khrushchev even made his first trip as the Soviet leader to China in

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9 One former aide to Khrushchev recalled that the “international situation had become so tense that another turn of the screw might have led to disaster.” Troyanovsky, “The Making of Soviet Foreign Policy,” 209-10. See also Gaddis, *We Now Know*, 109; Garthoff, *Détente and Confrontation*, 10.
10 Lewis and Xue, *China Builds the Bomb*, 28.
11 Powaski, *The Cold War*, 89. At the opening of the Korean War, Truman sent the Seventh Fleet to the Taiwan Straits to prevent communist forces from invading the island. U.S. military and economic aid flowed to the nationalists in Taiwan from then on.
12 Zubok and Pleshakov, *Inside the Kremlin’s Cold War*, 216; Lewis and Xue, *China Builds the Bomb*, 24, 34.
September of 1954.\textsuperscript{14} Recalling the warmth toward China, Khrushchev wrote, “We regarded the strengthening of China as a means of consolidating the socialist camp and securing our eastern borders. We had common interests, and we regarded China’s requests as an expression of our very own needs.”\textsuperscript{15}

\textit{Nuclear Concerns}

At the close of the Korean War, Mao formally requested that the Soviet Union provide him with a nuclear device.\textsuperscript{16} He resented that Eisenhower had “hinted at the possible use of nuclear weapons against Beijing” and believed that a Chinese nuclear capability would prevent such intimidation in the future.\textsuperscript{17} Khrushchev, however, understood the dangers of nuclear weapons — he had told his son that they were “such a terrible force that we didn’t have the right to take the slightest risk” and reportedly was so haunted by the “flesh-creeping terror” of the bomb that he could not sleep for days after watching a video of the 1952 hydrogen bomb test — and denied Mao’s request.\textsuperscript{18}

Mao continued to lobby the Soviets to provide China with nuclear technology, but the Soviets refused to accede. In doing so, Soviet decisionmakers demonstrated their unwillingness to discount the future strategic risks associated with supplying nuclear technology to another state. Khrushchev maintained throughout 1954 that there was “no need for China to possess the atomic bomb since China, as well as the Socialist countries of Eastern Europe, was already under

\textsuperscript{15} Khrushchev, \textit{Memoirs}, 3:416.
\textsuperscript{17} Lewis and Xue, \textit{China Builds the Bomb}, 14. See also Gaddis, \textit{We Now Know}, 107. For more on China’s impetus to seek the bomb, see Halperin, \textit{China and the Bomb}, 44.
\textsuperscript{18} Sergei Khrushchev, \textit{Nikita Khrushchev}, 271; Holloway, \textit{Stalin and the Bomb}, 307; Zubok and Pleshakov, \textit{Inside the Kremlin’s Cold War}, 188.
the Soviet nuclear umbrella.”19 The Soviet leadership did, however, increase conventional military assistance to the Chinese.20

Soviet policy began to change in January of 1955. On 20 January, China and the USSR signed the Agreement on Exploration, Identification, and Geological Survey for Radioactive Elements in the People’s Republic of China, which set up a joint company to locate and mine uranium in China.21 On 27 April, the two states also signed the Agreement on Utilizing Atomic Energy to Meet the Needs of Chinese National Economy Development, in which the Soviet Union agreed to help China construct nuclear facilities and equipment, including a heavy-water research reactor and a particle accelerator.22 The Soviet Union also began training hundreds of Chinese scientists “in the peaceful uses of atomic energy.”23 In March of 1956, the Soviets opened a research center in the town of Dubna, where Chinese specialists trained in nuclear science.24

Despite the dual-use risks inherent in this assistance, the Soviets continued to limit their cooperation with the Chinese to non-sensitive nuclear transfers and deny Chinese requests for an atomic weapon.25 The Soviets agreed only to augment civilian nuclear assistance: on 17 August

25 Lewis and Xue, China Builds the Bomb, 41, 48. In a memo to the Soviet leadership written 15 January 1956, the Chinese government requested, among other things: “the construction of one or two modern atomic industry installations, providing us with comprehensive aid in preparing plans, supplying equipment, construction-assembly and provision of raw material”; “to send a group of Soviet specialists-advisors in nuclear technology to lead and aid China in the elaboration of a comprehensive plan for the development of an atomic energy industry”; and to train
1956, the two sides signed the Agreement on Assisting China to Develop Atomic Energy Industry, in which the Soviets pledged to build additional scientific and technological laboratories for the Chinese nuclear program, as well as facilities for the mining and milling of uranium.\textsuperscript{26}

\textit{Turbulence at Home and Abroad}

The August agreement was signed during a time of turmoil for the Soviet leadership. Two months prior, workers in Poznan, Poland began a general strike that quickly evolved into country-wide rioting. Khrushchev wrote that the events had “distinctly anti-Soviet overtones.”\textsuperscript{27} “In short,” he stated, “it looked to us as though developments in Poland were rushing forward on the crest of a giant anti-Soviet wave. Meetings were being held all over the country, and we were afraid Poland might break away from us at any moment.”\textsuperscript{28} The unrest in Poland simmered for three months before Khrushchev moved to end it.\textsuperscript{29} Disregarding the protests of the Polish regime, he flew to Warsaw on 19 October and cut a deal in which Wladyslaw Gomulka, of whom Khrushchev disapproved, would retain power but would keep Poland in the Warsaw Pact.\textsuperscript{30}

Hours after Khrushchev settled the Poland issue, anti-Soviet tensions in Hungary boiled over when mass demonstrations erupted in Budapest. Inspired by the rise of Gomulka, students on 23 October 1956 demanded political reforms and that Imre Nagy take over as prime

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\textsuperscript{27} Khrushchev, \textit{Khrushchev Remembers}, 198; Taubman, \textit{Khrushchev}, 289; Gaddis, \textit{We Now Know}, 209.
\textsuperscript{28} Khrushchev, \textit{Khrushchev Remembers}, 199-200.
\textsuperscript{29} Taubman, \textit{Khrushchev}, 293.
\textsuperscript{30} Gaddis, \textit{We Now Know}, 210.
\end{flushright}
Khrushchev recalled that the unrest “spilled over into an unbridled anti-Soviet form, against the Soviet Union and against the Soviet Army.”

On 24 October, Soviet troops marched on the protestors but failed to put down the uprising. In fact, their offensive seemed only to exacerbate the situation. The students, joined by larger swaths of Budapest’s population, “responded with stones, grenades, and Molotov cocktails; local army and internal security forces looked likely to join them; and the government and party structure throughout much of the country seemed on the verge of collapse.”

By 26 October, Khrushchev had become “confused and panicky.” Events continued to spiral: on 28 October, Nagy, who had taken over as party leader in Hungary, announced that Hungary would be abandoning the Warsaw Pact. Fearing the loss of a key satellite, Khrushchev determined to take decisive action. On 4 November, the Soviets began their assault on the protestors. The fighting lasted three days and left more than twenty-thousand Hungarians dead, including Nagy, who was executed.

Though he was ultimately successful in putting down the uprisings in Eastern Europe, the unrest left Khrushchev vulnerable at home. On 20 May 1957, Georgy Malenkov, Vyacheslav Molotov, Lazar Kaganovich, and other powerful oligarchs agreed to depose Khrushchev. These opposition figures had, according to one Soviet observer, “gained a clear majority in the Presidium and launched an all-out attack on Khrushchev, accusing him of all sorts of mistakes in

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32 “Stenographic Record of a 4 November 1956 Meeting of Party Activists,” 4 November 1956, Cold War International History Project.
33 Gaddis, *We Now Know*, 210.
34 Taubman, *Khrushchev*, 296.
37 Gaddis, *We Now Know*, 211; Taubman, *Khrushchev*, 299.
the domestic sphere and of appeasing the imperialists in general and the United States in particular. The crisis in Hungary and the disturbances in Poland in 1956 were also supposed to be the consequences of his ‘liberal’ policies.”

On 18 June 1957, Khrushchev was summoned to a Council of Ministers’ meeting, where his foes accused him of wide-ranging malfeasance and irresponsibility. A number of ministers present demanded his resignation as party leader. Khrushchev, however, was able to weather the storm, and by 20 June the opposition dropped its demand that he step down from the position. By 28 June, it was the opposition that was on the defensive: in the end, the opposition figures — who were collectively known as the “Anti-Party Group” — were condemned as conspirators and exiled.

New Promises and Agreements

Shifts in Moscow’s nuclear policy occurred in the fall of 1957. Evgeny Negin, a Soviet Lieutenant General who worked in Soviet nuclear weapons research, and Yuri Smirnov, a Russian nuclear physicist who worked on the hydrogen bomb, recalled that “[i]n 1957 the moment came when the Soviet leadership decided to open for the Chinese friends the secrets of the most closed and protected atomic ministry of the country — the Ministry of Medium Machine Building.”

Sino-Soviet nuclear cooperation reached its peak in October of 1957 when, according to

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39 Troyanovsky, “The Making of Soviet Foreign Policy,” 215. See also Sergei Khrushchev, *Nikita Khrushchev*, 229. The uprisings were set against the backdrop of Khrushchev’s “secret speech” in February of 1956, in which he denounced a number of Stalin’s measures and pledged to pursue policies of de-Stalinization. Gaddis, *We Now Know*, 208-9; Taubman, *Khrushchev*, 290.
42 Negin and Smirnov, “Did the USSR Share Atomic Secrets with China?” 2 March 2009.
Chinese Vice-Premier Nie Rongzhen, the USSR “undertook to help China in the development of rocketry, aeronautics, and other new techniques.”43 On 15 October, the two sides agreed on a new deal (titled the “Agreement on Production of New Weapons and Military Technology Equipment and Establishment of a Comprehensive Atomic Energy Industry”) in which the Soviets would not only help their Chinese partners select and design new sites for nuclear testing and weapons development, but would also “provide a training model of an atomic bomb and related equipment.”44 The prototype was to be modeled on the 1951 version of the Soviet weapon.45 The deal ushered in the era of sensitive nuclear assistance; Liu and Liu emphasize that the Soviet Union “did not begin transferring direct-related technology till October 1957.”46

Sino-Soviet Friction

Though nuclear assistance continued throughout 1958 — Soviet scientists trained their Chinese counterparts in the art of weapons design and helped construct additional facilities and equipment for nuclear research — obstacles between the two sides began to emerge.47 First, Mao’s “Great Leap Forward,” an initiative to organize communes and “backyard furnaces” as a means of increasing steel production, led to the deaths of more than twenty-million people.48 The Soviets were reproachful of the misguided policy from its start, rightly predicting that it would end tragically.

43 Nie, Inside the Red Star, 696.
44 Liu and Liu, “Analysis of Soviet Technology Transfer,” 72, 92-93; Zhang, “Between Paper and Real Tigers,” 206; Reed and Stillman, Nuclear Express, 98.
46 Liu and Liu, “Analysis of Soviet Technology Transfer,” 71; Zhang, “Between Paper and Real Tigers,” 206. See also Reed and Stillman, Nuclear Express, 96.
47 Reed and Stillman, Nuclear Express, 99; Negin and Smirnov, “Did the USSR Share Atomic Secrets with China?” 2 March 2009; Liu and Liu, “Analysis of Soviet Technology Transfer,” 80-81; Zhang, “Between Paper and Real Tigers,” 206; Lewis and Xue, China Builds the Bomb, 64.
48 Gaddis, We Now Know, 215-16.
Tensions also arose over Mao’s refusal to build a joint fleet and a long-wave radio station, both of which were projects that Khrushchev valued. Upon learning that the Chinese were resisting the plan, he traveled to Beijing from 31 July to 1 August 1958 to work out an agreement with Mao.\footnote{Zhang, “Between Paper and Real Tigers,” 207.} But the Chinese leader refused to relent: Mao told Khrushchev that it “would constitute an encroachment upon our sovereignty if Soviet submarines had access to our ports” and “accused Khrushchev of using the proposal for a joint naval fleet as an opening wedge in an attempt to seize the Chinese coastline.”\footnote{Christensen, \textit{Useful Adversaries}, 210; Mao. Quoted in Khrushchev, \textit{Khrushchev Remembers}, 259.} Mao also rejected the radio station project unless “ownership and control” was in the hands of the Chinese alone.\footnote{Christensen, \textit{Useful Adversaries}, 210.} After Mao became acrimonious and belittled his Soviet counterpart, Khrushchev conceded and returned to Moscow uneasy.\footnote{Zhang, “Between Paper and Real Tigers,” 207.} In his biography of his father, Sergei Khrushchev notes that the interaction with Mao “left [Khrushchev] with an unpleasant taste.”\footnote{Sergei Khrushchev, \textit{Nikita Khrushchev}, 268.} “Having thrown open the gates of our arsenals to our friends,” he writes, “Father sincerely counted on reciprocity. After all, we had the same adversary: U.S. imperialism.”\footnote{Sergei Khrushchev, \textit{Nikita Khrushchev}, 266-67.} Notably, Khrushchev also found the Beijing meeting disconcerting because Mao dismissed his concerns about nuclear warfare. “I tried to explain to him that one or two missiles could turn all the divisions in China to dust,” recalled Khrushchev. “But he wouldn’t even listen to my arguments and obviously regarded me as a coward.”\footnote{Khrushchev. Quoted in Zubok and Harrison, “The Nuclear Education of Nikita Khrushchev,” 154.} 

China’s decision to attack Taiwan without warning the Soviets further aggravated relations between the two countries. On 23 August 1958, just weeks after Khrushchev’s visit, Beijing shelled Quemoy and Matsu. Though nominally a response to what China perceived as
U.S. aggression and encirclement — earlier that year, Washington had deployed tactical nuclear weapons to Taiwan — Thomas Christensen has shown that the Chinese attack stemmed from Mao’s belief that “China needed to increase its own power in relation to both the West and the Soviet Union. The Great Leap Forward, particularly its most radical phases in the summer of 1958, was an effort to transform China, over the course of several years, into a great power with nuclear weapons and an advanced industrial base.”

Needing to “gain popular acquiescence to increased government control of the economy,” Mao “saw benefit in a carefully controlled crisis environment within which he could mobilize the Chinese people to sacrifice for the Great Leap. Therefore, Mao launched a circumscribed attack on KMT positions in the Taiwan Straits, creating a crisis atmosphere.”

Publicly, the USSR stood by its ally. On 7 September, Khrushchev sent Eisenhower a note asserting that an attack on China in response to the ongoing bombardment would be treated as an attack on the Soviet Union itself. Khrushchev stated that “our side also possesses nuclear and hydrogen weapons, as well as appropriate means of their delivery, and if the PRC [People’s Republic of China] is attacked with such weapons, the aggressor will instantly be repulsed by similar means.” Eisenhower was not cowed by the Soviet threats: he sent the Seventh Fleet to the islands, where they remained less than three miles offshore.

The ratcheting of tensions deeply concerned the Soviets. Gromyko traveled to Beijing in

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56 Zhang, “Between Paper and Real Tigers,” 201; Zubok and Harrison, “The Nuclear Education of Nikita Khrushchev,” 154; Zubok and Pleshakov, *Inside the Kremlin’s Cold War*, 224; Christensen, Useful Adversaries, 204-5.
57 Christensen, Useful Adversaries, 205.
the hopes of “coordinating Soviet and Chinese action on the political level.”

While there, Mao told the Soviet statesman, “In the event of war [with the United States], the Soviet Union should not take any military measures against the Americans in the first stage. Instead, you should let them penetrate deep inside the territory of the Chinese giant. Only when the Americans are right in the central provinces should you give them everything you’ve got.”

In Moscow, Khrushchev summoned the Chinese Ambassador to coordinate policies and emphasize his “concern that the U.S. brinkmanship policy in the Taiwan Straits might lead to a larger — probably nuclear — conflict in East Asia.”

U.S. Secretary of State John Foster Dulles managed to defuse the situation by flying to Taiwan in October and convincing Chiang Kai-shek both to pull back his troops and declare that he did not seek to regain Mainland China through the use of force. In response to these overtures, the Chinese agreed to shell the islands only every other day, which both sides recognized as an end to the crisis.

The End of Aid

By February of 1959, Khrushchev had begun to doubt publicly his decision to supply the Chinese with nuclear technology. “Two thousand kilometers is not such a huge distance,” he told his son. “Let them have the R-12 [missiles]. The rest too. But as for the atomic bomb, we have to give it more thought.”

While the Soviets had concluded an agreement with the Chinese on 29 September 1958 “determining the schedule and scale of Soviet aid,” by May of 1959, Khrushchev “had made up his mind: nuclear secrets must not be shared under any

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59 Gromyko, Memories, 251.
60 Gromyko, Memories, 251. See also Zubok and Pleshakov, Inside the Kremlin’s Cold War, 225.
62 Zubok and Pleshakov, Inside the Kremlin’s Cold War, 198-99; Powaski, The Cold War, 125.
63 Khrushchev. Quoted in Sergei Khrushchev, Nikita Khrushchev, 270.
circumstances.” On 20 June 1959, at Khrushchev’s behest, the “Soviet government unilaterally annulled the agreement providing for the transfer to China of the latest technical achievements.” Nie remembered that a letter from the USSR stated that “certain major assistance projects should be suspended, though the matter could be renegotiated two years later depending on the situation at that time. Thus the Khrushchev leading clique unilaterally scrapped the October 15 Agreement.”

The missive of June 1959 marked the beginning of the end of Soviet nuclear assistance to China. The final blow to the partnership came when Khrushchev visited China in the autumn of 1959. During a seven-hour meeting on 2 October, Mao and Khrushchev “fiercely attacked each others’ policies regarding nuclear weapons and the American threat. Khrushchev made it clear that if China insisted on its ‘bold and risky’ course, the USSR would offer no protection or assistance.” Soon after the meeting, Moscow began recalling its scientists from China. Soviet assistance was fully terminated by the end of August of 1960.

**Shifts in the Balance of Threat**

Khrushchev provided China with nuclear technology in response to a shifting threat environment. Indeed, the Soviet leader’s decision to discount the future strategic risks associated with nuclear assistance principally reflected his belief that such action could counter a perceived U.S. threat to Soviet interests.

Khrushchev considered Asia a Soviet sphere of influence and believed his state’s security

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64 Lewis and Xue, *China Builds the Bomb*, 41; Sergei Khrushchev, *Nikita Khrushchev*, 271.
65 Lewis and Xue, *China Builds the Bomb*, 60-61; Sergei Khrushchev, *Nikita Khrushchev*, 271.
and success were interwoven with China’s. He parroted Stalin’s belief that Soviet aid to China would advance Moscow’s interests and that a “division of labor” strategy would benefit the communist bloc.⁶⁹ Khrushchev consequently perceived U.S. forays into Asia — driven by Washington’s concerns over the “combined power potential of China and the Soviet Union” — a danger to Soviet interests on the continent.⁷⁰

The Korean War marked the beginning of the shifting threat environment in two important ways. First, it inaugurated an era of intensified American encroachment into Asia: Victor Cha explains that the Korean War “led to the full extension of the policy of containment to Asia” and “prompted the massive increases in U.S. defense spending and the construction of a network of alliances in the region that one associates so closely with the Cold War in Asia.”⁷¹ At the war’s conclusion, the nearly forty-thousand American troops stationed on the peninsula left no doubt that the “United States had substantial capabilities for making war even on the Asian continent.”⁷² Second, the war proved to Moscow that Beijing was a valuable ally: John Lewis and Xue Litai in fact argue that the “toll of the Korean War provided the fundamental motivation for [growing Sino-Soviet military] cooperation. The convergence and articulation of security interests between the two Communist powers in turn profoundly influenced the Kremlin’s decisions to support the Chinese nuclear program.”⁷³

The armistice in Korea also created conditions for the U.S. push into Indochina. After the

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⁶⁹ Stalin. Quoted in Gaddis, We Now Know, 66-67, 162; Lewis and Xue, China Builds the Bomb, 42.
⁷⁰ Khrushchev, Khrushchev Remembers, 254; Lee, Outposts of Empire, 710. See also Gaddis, We Now Know, 157.
⁷³ Lewis and Xue, China Builds the Bomb, 41; Powsaki, The Cold War, 89. See also Goncharenko, “Sino-Soviet Military Cooperation,” 145-46.
ceasefire was signed, the United States increased its aid to French forces fighting in Vietnam.\textsuperscript{74} When the French fell at Dien Bien Phu in May of 1954, the U.S. openly proclaimed its hegemonic interest in the area. The next month, Dulles stated that communist interference in Indochina “would be a deliberate threat to the United States itself.”\textsuperscript{75} In November, the United States began to arm and train a South Vietnamese army; total aid to the South over the next five years would reach $1.2 billion.\textsuperscript{76}

In addition to its presence in Korea and Vietnam, the United States further threatened Soviet influence during the first Taiwan Straits Crisis. Taiwan was a valued U.S. ally: a National Security Council memo from 6 November 1953 emphasized that the island was a “considerable asset to the U.S. position in the Far East.”\textsuperscript{77} After the September 1954 crisis, a new era of American ascendancy in the region began: U.S. officials signed the Southeast Asia Collective Defense treaty in Manila on 8 September, as well as a mutual defense pact with Taiwan on 2 December.\textsuperscript{78} The passage of the Formosa Resolution in January of 1955 further indicated American willingness to use force to protect its regional interests.\textsuperscript{79}

Finally, the United States projected power and challenged Soviet influence through regional security pacts, particularly the U.S.-engineered Southeast Asian Treaty Organization (SEATO) that sought to replicate NATO on the Asian continent. Created in September of 1954, SEATO was comprised of the United States, Britain, France, Austria, New Zealand, Thailand, the Philippines, and Pakistan; Laos, Cambodia, and South Vietnam were also protected under the

\begin{itemize}
\item \textsuperscript{74} Gaddis, \textit{We Now Know}, 161. To be sure, the United States had taken an interest in the area long before 1953. See Gaddis, \textit{We Now Know}, 58, 157.
\item \textsuperscript{75} Powaski, \textit{The Cold War}, 107.
\item \textsuperscript{76} Powaski, \textit{The Cold War}, 109.
\item \textsuperscript{77} Lewis and Xue, \textit{China Builds the Bomb}, 18-19.
\item \textsuperscript{78} Lewis and Xue, \textit{China Builds the Bomb}, 22, 32; Powaski, \textit{The Cold War}, 111.
\item \textsuperscript{79} Lewis and Xue, \textit{China Builds the Bomb}, 37; Powaski, \textit{The Cold War}, 112.
\end{itemize}
These arrangements in Asia aimed to contain the spread of communism on the continent and “surround the Soviet Union and China with an interlocking network of alliances. These would serve, [Dulles] apparently hoped, as a kind of geostrategic Great Wall to keep Moscow and Beijing from projecting their influence into areas where the locals … were insufficiently sensitive to its dangers.”

Having long eyed Asia as a Soviet sphere of influence — Moscow had duly provided economic and military support to pro-Soviet governments in the region, including China, for years — Khrushchev considered these American actions inimical to Soviet interests. Moreover, he had come to regard China as the “principal strategic ally” in the USSR’s efforts to counter those threats. Khrushchev viewed China as a Soviet outpost against U.S. imperialism, a bulwark against Western aggression. And because he “believe[d] that strength, crude and conspicuous, was the only way to deal with the United States and other capitalist countries,” he was willing to discount the future risks of nuclear assistance if it meant countering the acute threat from Washington. Matthew Kroenig saliently writes that “[sensitive] Sino-Soviet nuclear cooperation was driven largely by the desire to constrain the United States” and that the “concurrence of the sensitive nuclear transfers with … large-scale conventional arms exports suggests that the nuclear materials and technology may have been part and parcel of a strategy to

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81 Gaddis, *We Now Know*, 169.
82 Gaddis, *We Now Know*, 163; Kroenig, *Exporting the Bomb*, 123.
83 Gobarev, “Soviet Policy toward China,” 21-22. Sergei Goncharenko goes so far as to state that the U.S. defense pact with Taiwan and the creation of SEATO “made the Soviet leaders believe that the alliance with China was their only strategic choice in the region.” Goncharenko, “Sino-Soviet Military Cooperation,” 145.
84 Zhang, “Between Paper and Real Tigers,” 205.
85 Zubok and Harrison, “The Nuclear Education of Nikita Khrushchev,” 142.
enhance China’s defensive and deterrent capabilities.”

Khrushchev’s perception of the threat environment was colored by the Soviet military gap. Khrushchev recalled that when he came to power, the Soviets “measured urgency only in terms of military security” and felt vulnerable to U.S. nuclear and air superiorities. The Korean War had exacerbated Moscow’s feelings of nuclear vulnerability — when war on the peninsula erupted, the Soviets “had few if any atomic bombs available at the time … and no feasible means of delivering them upon American targets” — and subsequent U.S. conduct had made plain the nuclear disparity. Indeed, the United States repeatedly signaled its willingness to exploit its nuclear advantage: in March of 1955, for example, one year after testing a fifteen-megaton hydrogen bomb, the United States raised the “possibility of using nuclear weapons either to ‘stop the PLA’s action aimed at liberating Taiwan’ or ‘to fight a war against China in the Far East.’” Eisenhower emphasized that he could not understand why nuclear weapons “shouldn’t be used just exactly as you use a bullet or anything else.”

In sum, the Soviets began their nuclear assistance to China in April of 1955 in response to the perceived threats posed by American encroachment into a Soviet sphere of influence and Washington’s nuclear threats against both Moscow and Beijing. Khrushchev discounted the future strategic risks of providing such assistance in order to cement ties with a critical ally and raise the stakes of a U.S. attack on China. The transfers — which came to include more sensitive technologies — continued through the Second Taiwan Straits Crisis, reflecting the perception

86 Kroenig, Exporting the Bomb, 122-23.
87 Khrushchev, Khrushchev Remembers, 64; Zubok and Pleshakov, Inside the Kremlin’s Cold War, 189.
88 Gaddis, We Now Know, 104; Powaski, The Cold War, 89.
89 Zhang, “Between Paper and Real Tigers,” 200; Zubok, A Failed Empire, 125.
90 Eisenhower. Quoted in Powaski, The Cold War, 112.
91 Lewis and Xue, China Builds the Bomb, 26; Powaski, The Cold War, 113.
that the USSR had to take corrective action to address the U.S. threat.\textsuperscript{92}

**Risk Management**

Khrushchev’s risk calculus was further influenced by his belief that he could control the risks associated with aiding the Chinese nuclear program. This section first argues that Khrushchev implemented an ex post risk management strategy by restricting which technologies the USSR sent to China and by staying actively involved in the transfer process. Demonstrating variation in the dependent variable, this section then shows that once Khrushchev no longer believed Chinese policies were predictable, he became less willing to transfer nuclear technology to Beijing.

**Restrictions**

Khrushchev’s risk tolerance increased in part because he believed that the Soviet Union could manage strategic risks by imposing restrictions on nuclear transfers to China. Some of these steps were taken ex ante — Soviets contracts often “deliberately left it open as to exactly what equipment would be delivered and when and how.”\textsuperscript{93} More commonly, however, the Soviets implemented an ex post risk management strategy wherein they were willing to supply the Chinese with some nuclear technologies, but not others.\textsuperscript{94}

On a macro level, Khrushchev for years refused to supply Beijing with explicitly sensitive nuclear technologies. (Though, again, the building of nuclear facilities and training of Chinese scientists posed dual-risk dangers). Other, more specific examples of restrictions abound: when Soviet scientists installed nuclear fuel element production lines, they would not

\textsuperscript{92} Kroenig, *Exporting the Bomb*, 123; Lewis and Xue, *China Builds the Bomb*, 41.
\textsuperscript{93} Zhang, “Between Paper and Real Tigers,” 206-7.
\textsuperscript{94} Lewis and Xue, *China Builds the Bomb*, 62.
include critical components such as drying furnaces; they refused to provide technical materials for chemical exchange towers; and Soviet technicians continually refused to deliver important raw materials or data.\textsuperscript{95} Promised blueprints would arrive purposefully distorted, incorrect, or incomplete.\textsuperscript{96} Some projects, such as a plutonium production complex, never even got off the ground, as the Soviets “delivered none of the key components for the facility.”\textsuperscript{97} Lewis and Xue suggest that about forty percent of the “nuclear-industrial equipment and raw materials pledged to China by the Soviet Union never arrived.”\textsuperscript{98}

Perhaps most telling, Soviet decisionmakers maintained systematic and heavy-handed control over more sensitive technologies, never providing full weapons designs or a prototype device.\textsuperscript{99} Where the Soviets did provide sensitive assistance, they “were only willing to transfer outmoded technologies.”\textsuperscript{100} Nie noted that the Soviets:

\begin{quote}
provided us with ordinary production and technical data, but refused to supply crucial data concerning production techniques, research, design, theoretical computation, and the production of raw and semi-finished materials. They gave us general equipment, but as for specialized or non-standard equipment and precision testing instruments, they resorted either to procrastination or outright rejection. They gave us some ordinary raw and semi-finished materials. But the more special the materials, the tighter the control. On the question of specialists, they sent us technicians who could copy prototypes, but were reluctant to send designers and refused outright to send any specialties in scientific research.\textsuperscript{101}
\end{quote}

These restrictions indicated Soviet efforts to stay actively involved in the nuclear transfers, mitigating risk by keeping a hand in the implementation of the policy. Rather than simply transferring a nuclear device to the Chinese or providing comprehensive assistance, the

\begin{itemize}
\item \textsuperscript{95} Reed and Stillman, \textit{Nuclear Express}, 101; Liu and Liu, “Analysis of Soviet Technology Transfer,” 73, 87, 91.
\item \textsuperscript{96} Negin and Smirnov, “Did the USSR Share Atomic Secrets with China?” 2 March 2009.
\item \textsuperscript{97} Burr and Richelson, “Whether to Strangle,” 58.
\item \textsuperscript{98} Lewis and Xue, \textit{China Builds the Bomb}, 72.
\item \textsuperscript{99} Lewis and Xue, \textit{China Builds the Bomb}, 62; Liu and Liu, “Analysis of Soviet Technology Transfer,” 97-98.
\item \textsuperscript{100} Kroenig, \textit{Exporting the Bomb}, 121. Nie confirmed that “Soviet assistance was limited to the supply of some outdated missiles, aircraft, and other military equipment and the necessary technical data, plus the dispatch of some technical experts to China.” Nie, \textit{Inside the Red Star}, 696.
\item \textsuperscript{101} Nie, \textit{Inside the Red Star}, 698.
\end{itemize}
Soviets provided only “gradual and incremental” aid over time. Assistance began with mining and milling, and slowly increased to site selection, facility building, and finally the pledge of weapons blueprints and a prototype device. Negin and Smirnov state that decisionmakers in Moscow specifically told them that the USSR “would not transfer [promised blueprints or designs] right away.” Such efforts to manage risk resulted in awkward, inconsistent, and incomplete Soviet assistance, as the Soviets were “torn between wishing to improve relations with China and seeking to prevent Chinese acquisition of nuclear and other advanced weapons. … The Russians refused to assist in nuclear-weapons technology, but they did assist the Chinese in building a major gaseous diffusion facility for production of fissionable materials useful for weapons as well as for other purposes.”

Lack of Predictability and Policy Alignment

Khrushchev’s ultimate belief that China was an unpredictable partner whose policy preferences did not align with the USSR’s affected his risk tolerance. This section argues that four specific factors — the long-wave radio and submarine dispute, China’s Great Leap Forward, the Second Taiwan Straits Crisis, and the sidewinder missile incident — contributed to Khrushchev’s perception that he could not mitigate the strategic risks associated with providing nuclear technology to China. That perception in turn lessened his willingness to continue nuclear assistance to the Chinese.

Long-Wave Radio and Submarine Fleet. This issue of policy alignment was pointedly revealed during the aforementioned arguments over the long-wave radio station and joint submarine fleet.

Khrushchev was both confused and alarmed by the Chinese reaction, as the two countries had agreed in November of 1957 that they would cooperate on such an effort.\textsuperscript{105} After Mao rejected the proposals in July of 1958, Khrushchev traveled immediately to Beijing to confer with the Chinese. During their meeting in Beijing, Mao told Khrushchev, “We aren’t interested. … We do not want anyone to use our land to achieve their own purposes anymore.”\textsuperscript{106} Mao went on to tell Khrushchev that the Chinese were “building a submarine fleet of [their] own, and it would constitute an encroachment upon our sovereignty if Soviet submarines had access to [their] ports.”\textsuperscript{107}

The interaction displeased Khrushchev. After years of Soviet generosity, he expected reciprocation and alignment from the Chinese. “We let the Chinese have our designs and sent our experts to help them choose a place in which to build the submarines,” he wrote. “Therefore we fully expected the Chinese to cooperate with us when we asked for a radio station on their territory.”\textsuperscript{108} Khrushchev’s disappointment and unmet expectations spoke loudly to his concerns that Chinese decisionmakers were willing to diverge from positions that the Soviets valued.

**Great Leap Forward.** Soviet distrust also grew as a result of China’s decision to pursue the Great Leap Forward, a domestic policy to which the Soviets overtly objected. Khrushchev considered Mao’s 1958 campaign dangerous for two principal reasons. First, it again demonstrated Chinese willingness to disregard Soviet policy preferences. Second, Khrushchev believed it indicated China’s hopes of displacing the Soviet Union as the leader of the socialist bloc. Khrushchev recalled that the Great Leap Forward was “the invention of Mao and no one else. He wanted to

\textsuperscript{105} Jian, *Mao’s China and The Cold War*, 73.
\textsuperscript{106} Mao. Quoted in Taubman, *Khrushchev*, 391.
\textsuperscript{107} Mao. Quoted in Khrushchev, *Khrushchev Remembers*, 259.
\textsuperscript{108} Khrushchev, *Khrushchev Remembers*, 258.
show that there could be a special Chinese method for building socialism. He wanted to impress the world — especially the socialist world — with his genius and his leadership.”

Khrushchev underscored that the Chinese sought to demonstrate that they were no longer “pupils, but actually the leaders of the communist movement.” These factors reinforced Khrushchev’s emerging concerns that Chinese policies were not predictable or aligned with the Soviet Union’s, which lowered his risk tolerance.

**Second Taiwan Straits Crisis.** The most dramatic event that called into question China’s future policies was the Second Taiwan Straits Crisis. Khrushchev was disturbed not only by Mao’s failure to alert him to the Chinese plan of attack — despite being in Beijing a month prior, the Soviet leader had not been told about the impending assault — but also by his reckless attitude toward nuclear weapons. When Gromyko traveled to Beijing during the skirmish, Mao told him that “if the U.S. bombed China with nuclear weapons, Chinese forces would retreat deep into the interior, luring American troops after them. Once the Americans were in the heartland, Mao said, the Soviets should hit them ‘with everything you’ve got.’”

Chinese Premier Zhou Enlai reportedly followed that the Chinese sought to “prove to the Americans that the People’s Republic of China is strong and bold enough and is not afraid of America” and was “ready to take all the hard blows, including atomic bombs and the destruction of [its] cities.”

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110 Zubok, “The Mao-Khrushchev Conversations,” 245; Powaski, *The Cold War*, 126. Moscow’s concerns were exacerbated when Chinese-style communism took root in Soviet satellites: “We became concerned when we learned that Chinese propaganda was beginning to have an effect in Bulgaria,” Khrushchev recalled in his memoirs. “We saw that Bulgaria was also adopting ‘communes’ and a ‘great leap forward.’” Khrushchev, *Khrushchev Remembers*, 276. See also Taubman, *Khrushchëv*, 389.
111 Taubman, *Khrushchëv*, 392.
112 Gaddis, *We Now Know*, 250-51. Christensen saliently writes that “[r]ather than drawing the Soviets in, Mao was more likely trying to demonstrate his foreign policy independence from Moscow by attacking in the straits.”
Gromyko recalled that he was “flabbergasted” by the suggestion, diplomatically responding, “Such a proposal would not meet with a positive response from us. I can say that definitely.” Khrushchev too was “horrified by Mao Zedong’s insistence that the Soviet Union must risk nuclear war with the United States to advance the communist cause.” When Mao later explained that the Chinese “did not intend to undertake any large-scale military actions in the area of Taiwan, and only wanted to create complications for the United States,” Khrushchev replied that the Soviets no longer could see the Chinese as responsible or predictable. He told Mao:

We have a common understanding of the question of Taiwan. At the present time there is only [a difference on] the question of tactics. You always refuse to work out a policy on this question that we could understand. You might think that we interfere into your internal affairs, but we only express our considerations. In this regard I would remark that we do not know what kind of policy you will have on this issue tomorrow. … Neither you nor I want war — this is well known. The problem is that not only does the world public opinion not know what you might undertake tomorrow, but also even we, your allies, do not know it.

Mao’s unpredictability, which made risk management more difficult, genuinely disturbed Khrushchev, particularly given the dangers of provoking a nuclear war with the United States.

The Second Taiwan Straits Crisis proved that, rather than merely spinning rhetorical flourishes, Mao was willing to court such danger. Khrushchev observed, “Some people [Mao] say that it is possible to build a new society on the dead bodies and the ruin of the world. Do

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Christensen, *Useful Adversaries*, 235. This independence would clearly concern Soviet decisionmakers, whose risk assessments were based in part on stable policy alignment.
116 Khrushchev. Quoted in Zubok, “The Mao-Khrushchev Conversations,” 265. See also Taubman, *Khrushchev*, 393. A number of authors have written that the Second Taiwan Straits Crisis was the first in series of fissures. Zhang Shu Guang writes that the event “paved the way for open Sino-Soviet split,” and that Mao’s “views on nuclear weapons” led directly to the canceling of assistance. Zhang, “Between Paper and Real Tigers,” 208. Other analysts have written that China’s lack of coordination with the Soviets set off alarms. See Zubok and Pleshakov, *Inside the Kremlin’s Cold War*, 221.
these men know that if all the nuclear warheads were touched off, the world would be in such a state that the survivors would envy the dead?“118 Mao’s recklessness, according to Ronald Powaski, was the “primary reason why the Soviets terminated their nuclear assistance program to China in 1959.”119

Soviet concerns were summarized in an embassy report after the crisis had subsided. The document stated that Beijing “had not informed the Soviet government beforehand about their plans” and accused the Chinese of exhibiting a “rather simplistic approach to evaluating the degree of urgency of the Taiwan problem and have let the possibility of aggravating the international situation emerge to keep the United States ‘on the verge of war’ from their side too.”120 Given the risks and consequences of nuclear war, the report asserted, the Soviet Union could not “regard the solution of the Taiwan issue … as purely a domestic affair of China.”121

The crisis consequently affected Khrushchev’s risk calculus; he “began to rethink the Sino-Soviet nuclear cooperation in the light of recent experiences. Suddenly, he realized that the Sino-Soviet alliance constituted not one happy Communist union, but, from Beijing’s perspective, a marriage of convenience, where each sought to satisfy his own needs.”122 Kroenig rightly notes that the cancelling of sensitive Soviet nuclear assistance to China in the summer of 1959 “suggest[s] that once the imminent threat of U.S. intervention in the Taiwan Straits Crisis had passed, Moscow was no longer eager to see Beijing in possession of a nuclear arsenal.”123 But it also reflected Khrushchev’s perception that Chinese policies were unpredictable, and that

118 Khrushchev. Quoted in Powaski, The Cold War, 146.
119 Powaski, The Cold War, 146.
120 Zubok and Pleshakov, Inside the Kremlin’s Cold War, 223.
121 Zubok and Pleshakov, Inside the Kremlin’s Cold War, 223. See also Gaddis, We Now Know, 250.
122 Zubok and Pleshakov, Inside the Kremlin’s Cold War, 228.
123 Kroenig, Exporting the Bomb, 123.
China may ultimately pose an immediate and acute threat to Soviet interests.

**Sidewinder Missile Incident.** Perhaps the final blow to Khrushchev’s risk acceptance occurred when the Chinese recovered an American sidewinder missile toward the end of 1958. When the Soviets requested that the Chinese send the missile to Moscow for examination, the Chinese demurred. The seemingly small matter soon became of critical importance to Khrushchev, who “became angry and reproachful.”\(^{124}\) He noted, “We had given China everything — our secret military technology, blueprints, designs, technological production charts, and production models. We had armed the Chinese thoroughly, and now a captured enemy weapon had fallen into their hands, as a result of aerial combat with Chiang Kai-shek, but they wouldn’t give it to us. To Moscow this was simply incomprehensible.”\(^{125}\) Khrushchev explained that the “unpleasant aftertaste from this missile incident remained in our minds and poisoned our feelings.”\(^{126}\) “Our paths,” he concluded, “began to diverge.”\(^{127}\)

**Alternative Explanation: Domestic Politics**

Domestic pressures influenced Khrushchev’s willingness to discount the future strategic risks of nuclear assistance. Specifically, this section argues that the 1956 uprisings in Eastern Europe and the 1957 Anti-Party Group crisis compelled him to agree to provide China with sensitive nuclear technologies. And yet this section further demonstrates that these events played a less significant role in shaping Khrushchev’s actions than shifts in the balance of threat or risk management. It shows that domestic pressures increased Khrushchev’s risk tolerance more in word than deed, as the nuclear promises he made in exchange for political backing from Mao

\(^{124}\) Sergei Khrushchev, *Nikita Khrushchev*, 268-70.
remained largely unfulfilled.

*Eastern European Uprisings*

The uprisings in Eastern Europe in 1956 in part affected Khrushchev’s risk calculus. Khrushchev wrote that he had long harbored the belief that the loss of one satellite would be the “beginning of a chain reaction, and it would have encouraged aggressive forces in the West to put more and more pressure on us. Once you start retreating, it’s difficult to stop.” ¹²⁸ The uprisings in Poland and Hungary posed more than an external threat to Soviet interests: they also undercut the support of his coalition. Indeed, when he flew to Warsaw on 19 October, the “presence of Molotov and Kaganovich showed how profoundly the crisis had undermined Khrushchev’s authority.” ¹²⁹ When the dust around Poznan settled, Khrushchev’s reputation and authority were weakened by the perception that he had bowed to the will of another communist state. ¹³⁰

The uprising in Hungary presented a similar combination of external and domestic threats. As with Poland, he believed that the collapse of Hungary would trigger a domino effect. Khrushchev recalled, “We in the Presidium thought a great deal about the situation in Hungary, and were very concerned that the events playing out in Hungary did not spread to other countries.” ¹³¹ On 31 October, he declared to the presidium, “We must take the initiative and restore order in Hungary. If we leave Hungary, that will encourage the Americans, English, and French, the imperialists. They will perceive it as weakness and go on the offensive. … Our party

¹²⁸ Khrushchev. Quoted in Gaddis, *We Now Know*, 134.
¹²⁹ Taubman, *Khrushchev*, 293.
¹³⁰ Gaddis, *We Now Know*, 210.
¹³¹ “Stenographic Record of a 4 November 1956 Meeting of Party Activists,” 4 November 1956, Cold War International History Project.
won’t understand our behavior. … We have no other choice.”

Khrushchev’s remarks are worth unpacking. First, he clearly feared that the unrest would spread to the Soviet Union itself. This concern was not unfounded: after the suppression of the Hungarian riots, protests broke out in the Baltics, Ukraine, and even Moscow and Leningrad. These protests, though “few and isolated,” caused “near panic at the top.” Second, there was a possibility that the turmoil could allow NATO to “take … root in the region of socialist countries,” which would spell doom for the USSR. If Khrushchev did not find a way to placate his surely-restive coalition, his inability to maintain order in the empire would imperil his political survival.

In order to counter these domestic pressures, Khrushchev turned to the Chinese, who lent credibility to his Hungary policies. Indeed, Khrushchev acknowledged that he did not dare intervene militarily in Budapest without Chinese consent: “We wanted to be correctly understood,” he recalled. “We were not pursuing selfish aims but were striving to act in the spirit of proletarian internationalism. In connection with this point of view we thought it necessary to consult with the fraternal countries and parties, first of all with the Chinese Communist Party.” According to Chinese records, the “intervention of the PRC saved Poland from Soviet invasion but then gave resolve to a vacillating Khrushchev in his determination to restore ‘socialism’ in

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136 The Chinese played an important role during policy deliberations: at the 4 November party meeting, Khrushchev explained that the “Chinese comrades spent a week here. We had several meetings with them and exchanged opinions well.” “Stenographic Record of a 4 November 1956 Meeting of Party Activists,” 4 November 1956, Cold War International History Project.
Hungary.”¹³⁸

In sum, the uprisings provided a frame of loss and fear for Khrushchev; he escaped the events “sour and depressed” and, “[a]fter the initial shock, he redoubled his efforts to consolidate his power.”¹³⁹ Both historians and contemporary observers tend to agree that Chinese support during the crises played an important role in Khrushchev’s nuclear decisionmaking. Nie Rongzhen, who claimed that in August of 1956 the Soviets demonstrated a “reluctance to help,” stated that the “international situation obtaining after October 1956 made Khrushchev show some signs of flexibility regarding Soviet assistance in new technology.”¹⁴⁰ Khrushchev perhaps foreshadowed the increases in nuclear aid at the end of his 4 November speech, when he declared, “We need to develop friendly relations [with other socialist countries] not just in words, but in deed.”¹⁴¹

1957 Anti-Party Group

The 1957 Anti-Party incident also affected Khrushchev’s risk tolerance. In order to understand this causal link, it is first important to recognize that, in their criticism of Khrushchev, the conspirators “claimed that Khrushchev’s doctrine ignored the role of ‘all other socialist countries, besides the USSR,’ especially the PRC.”¹⁴² Relations with China, in other words, had become an important factor in Soviet domestic politics.

Politically weakened and wounded by the attempted coup, Khrushchev needed Chinese

¹³⁸ Zubok, A Failed Empire, 118. The difference was that the Chinese leaders saw the Poland situation “as basically anti-Soviet and the one in Hungary as essentially anti-Communist.” Jian, Mao’s China and The Cold War, 68-69.
¹³⁹ Taubman, Khrushchev, 300.
¹⁴⁰ Nie, Inside the Red Star, 694-95. See also Lewis and Xue, China Builds the Bomb, 62; Powaski, The Cold War, 126. Gaddis, We Now Know, 249-50.
¹⁴¹ “Stenographic Record of a 4 November 1956 Meeting of Party Activists,” 4 November 1956, Cold War International History Project.
¹⁴² Zubok, A Failed Empire, 120.
support to shore up his waning legitimacy at home. As such, he seemed more willing to transfer advanced nuclear technologies to Beijing. As one biographer summarizes, “Opposition from Molotov, Malenkov, and Kaganovich increased Khrushchev’s need for Chinese support. The Chinese ambassador to Moscow Liu Xiao thought the Soviet leader was particularly attentive to Chinese wishes in early 1957.” \(^{143}\) Christensen similarly relays that Ambassador Liu stated “that in 1957 Beijing viewed the nuclear agreement with Moscow as a side payment for support of Khrushchev in his struggle against the Anti-Party Group.” \(^{144}\) Indeed, mere months after the coup attempt, Khrushchev relented in his opposition to supplying China with military nuclear technology: when Mao arrived in Moscow in November 1957 for the Conference of World Communist Parties, Khrushchev “greeted him with an offer too good to refuse: a secret agreement to provide China with nuclear weapons technology, including a sample atom bomb, in return for Mao’s support of the Soviet leader personally.” \(^{145}\)

**Word, Not Deed**

These internal dynamics influenced Khrushchev’s willingness to agree to upgrade Soviet nuclear assistance. \(^{146}\) And yet such domestic concerns ultimately hold limited significance in explaining his future risk discounting. To begin, the bulk of Sino-Soviet nuclear cooperation agreements were signed in 1955 and early 1956, when external threats to the Soviet Union’s interests — rather than domestic pressures — were present. Indeed, Khrushchev’s tenure was safe and the domestic political landscape was relatively tranquil when the Soviet Union began

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\(^{143}\)Taubman, *Khrushchev*, 340.

\(^{144}\)Christensen, *Useful Adversaries*, 206.

\(^{145}\)Short, *Mao*, 489.

\(^{146}\)As Liu and Liu summarize, “In 1957, despite some resistance from the Soviet military, Khrushchev decided to help China develop nuclear weapons. Some scholars believe that he extended this offer because strong inner-party opposition, coupled with international pressures, forced him to seek stronger support from China.” Liu and Liu, “Analysis of Soviet Technology Transfer,” 67.
training Chinese nuclear scientists at Dubna and supplying its ally with heavy-water reactors and particle accelerators.

Khrushchev did agree in October of 1957 to upgrade nuclear assistance and provide China with a prototype device — a corrective action to stave off threats to his political survival. And yet most of those pledges were left unfulfilled; the provision of advanced nuclear technologies was principally a promise of word, not deed. While the Soviet Union did subsequently transfer some sensitive materials to China, aid the PRC’s rocketry and aeronautics programs, and help select sites for weapons development and testing, it never supplied the promised weapons designs or training model. What is more, the materials it did provide Beijing were not only “outmoded,” but also subject to stringent restrictions and control. It is worth recalling Nie’s complaint that the USSR “provided us with ordinary production and technical data, but refused to supply crucial data concerning production techniques, research, design, theoretical computation, and the production of raw and semi-finished materials. They gave us general equipment, but as for specialized or non-standard equipment and precision testing instruments, they resorted either to procrastination or outright rejection. They gave us some ordinary raw and semi-finished materials. But the more special the materials, the tighter the control.”¹⁴⁷ Negin and Smirnov’s statement that the USSR “would not transfer [promised blueprints or designs] right away” seems to confirm that Soviet decisionmakers never assumed actual delivery of such sensitive technologies and materials.¹⁴⁸

This distinction between agreement and action is critical to understanding why shifts in the balance of threat and risk management, rather than domestic politics, carry the greatest

weight in explaining Khrushchev’s risk acceptance: acute U.S. threats to Soviet security and interests compelled Khrushchev to discount future risks and aid the Chinese nuclear program, but internal pressures never led him to comparable action. Domestic politics can explain the agreements for atomic assistance, but not actual, significant risk discounting by the Soviet leader.

Events from 1953 and 1954 can further help analysts disentangle competing explanations and recognize the paramount significance of external threats. In the initial months after Stalin’s death, Khrushchev sought to consolidate his grip on power. In June of 1953, he successfully organized a coup against Lavrenty Beria — Stalin’s first successor — on the grounds that Beria was an “agent of international imperialism and an enemy of the party and the Soviet People.”

When Malenkov, chairman of the Council of Ministers, retained de jure power after Beria’s deposal, he competed with Khrushchev — who held de facto power over Soviet foreign policy — for total party influence. An opportunity to weaken Malenkov presented itself in March of 1954, when he publicly stated that the advent of the hydrogen bomb had rendered conventional warfare obsolete and that “there were no existing disputes that could not be decided by peaceful means.” Khrushchev seized on the comments and accused Malenkov of “being an appeaser” and “charge[d] him with ideological heresy.” Khrushchev delivered the coup de grâce in

151 Powsaski, *The Cold War*, 98.
January of 1955, when he orchestrated Malenkov’s removal from office.\textsuperscript{153}

This period of internal struggle for power is illuminating because Khrushchev never proved willing to trade nuclear technology for Chinese political backing. To be sure, Khrushchev courted the Chinese during this time and “tried to obtain Mao Zedong’s support in strengthening his own influence within the USSR.”\textsuperscript{154} Chen Jian notes that Khrushchev, “who … needed time to consolidate his leadership role, certainly understood that the support from China was indispensable to him.”\textsuperscript{155} But Khrushchev refused to assent to nuclear assistance even though such action may have rid him of political competitors; he instead chose to garner Beijing’s favor by being the first leader of the Soviet Communist Party to travel to China and by consulting China on important foreign policy decisions, such as the 1954 Geneva Conference and the Warsaw Pact.\textsuperscript{156}

Indeed, domestic politics proved insufficient in prompting Khrushchev to discount the future strategic risks of nuclear assistance; the Soviet leader did not offer such aid to China in the absence of a perceived shift in the balance of threat or risk management capabilities.\textsuperscript{157} It was only after the September 1954 Taiwan Strait crisis — an event that appeared to confirm the acute U.S. threat and inaugurate a new era of American ascendancy in the region — that Khrushchev discounted the future strategic risks of Soviet nuclear assistance. Actual instances of Soviet nuclear aid — rather than mere pledges — served as countermeasures to these external threats,

\textsuperscript{153} Holloway, \textit{Stalin and the Bomb}, 321; Zubok, \textit{A Failed Empire}, 97-98; “Transcript of a Meeting of the Party Group of the USSR Supreme Soviet,” 8 February 1955, Cold War International History Project.

\textsuperscript{154} Zubok, \textit{A Failed Empire}, 97, 110-11.

\textsuperscript{155} Jian, \textit{Mao’s China and the Cold War}, 63.

\textsuperscript{156} Jian, \textit{Mao’s China and the Cold War}, 62.

\textsuperscript{157} Analysts may point out that Khrushchev’s atomic acquiescence in the spring of 1955 reflected concerns over this initial power struggle. However, it is worth remembering that, unlike Mao’s public backing in November of 1957, China never played a role in buttressing Khrushchev’s position in 1953-1954.
not means of alleviating domestic pressures.

Alternative Explanation: Trust

Some scholars may argue that Khrushchev discounted the future strategic risks associated with supplying China with nuclear technology due to trust. More specifically, Khrushchev may have been guided by collective identification, as the two sides shared a socialist identity.\textsuperscript{158} The Soviet leader at times alluded to this idea: when he was asked, “Has it occurred to you that by building up [China’s] economy, you might be creating dangers for yourselves?” Khrushchev replied, “No, we see no such danger. On the contrary, we’re convinced we’re doing the right thing. The Chinese are our friends and our brothers.”\textsuperscript{159}

But financial assistance is quite distinct from nuclear aid, and Khrushchev’s actions revealed that logics of consequence trumped such normative factors.\textsuperscript{160} While collective identification stayed constant, Soviet aid fluctuated greatly throughout the 1950s and 1960s, and never reached the point of comprehensive nuclear assistance. Moreover, when he came to consider China an unpredictable partner that may threaten the USSR’s power, Khrushchev pulled back from the alliance. Indeed, when decisionmakers in Moscow perceived that China, through initiatives such as the Great Leap Forward, was bidding for a share of the socialist movement’s leadership, they quickly worked to downgrade relations.

\textsuperscript{158} Goncharenko, for example, has written that the “most obvious reasons why the early Khrushchev leadership was willing to help Beijing to get an atomic bomb was the enthusiasm for socialist construction and technology achievement in Moscow during the 1950s. … During these leader’s first enthusiastic years in power, providing China with nuclear weapons may have seemed a small price to pay for an alliance that would lead two continents into socialism.” Goncharenko, “Sino-Soviet Military Cooperation,” 159. Viktor Gobarev similarly argues that Khrushchev was “ready and willing to support anyone in order to achieve [a socialist] majority.” Gobarev, “Soviet Policy toward China,” 18.

\textsuperscript{159} Khrushchev, \textit{Khrushchev Remembers}, 290-91.

\textsuperscript{160} Raymond Garthoff writes that “many aspects of the communist ideology were submerged by a pragmatic approach.” Garthoff, \textit{Détente and Confrontation}, 23. See also Cha, “Defining Security in East Asia,” 41.
Scholars may also contend that collective identification influenced Khrushchev’s perception that he could manage the risks associated with nuclear transfer. In other words, the Soviet leader may have perceived that because both the USSR and China were socialist states, he could adequately mitigate the strategic risks of nuclear transfer over time. The available evidence, however, does not seem to confirm this view: rather than simply trusting the Chinese, he took the much more active steps of imposing restrictions on nuclear transfers — supplying some technologies and materials, but not others — as well as allowing Soviet scientists to provide only incremental atomic aid. Furthermore, Khrushchev never allowed the comparable provision of nuclear material to other socialist states; if he believed that collective identification was a significant, motivating component of risk mitigation, he likely would have been more open to pursuing similar partnerships with socialist states in Asia and elsewhere.

Interpersonal connection proves no more helpful in explaining Khrushchev’s future risk discounting. Though the Soviet leader may have been inclined to view the “foreign policy of other powers through the personalities of their leaders,” historians have largely agreed that interpersonal relations between Khrushchev and Mao were strained to the point of hampering, rather than fostering, trust.\(^\text{161}\) Khrushchev found the Chinese leader intolerably arrogant, claiming that Mao “suffered from … megalomania” and that his “tendency to equate himself with the Chinese people as a whole and his air of superiority toward other nationalities boded ill for the future.”\(^\text{162}\) Moreover, Mao’s limited understanding of nuclear weapons and their ramifications left Khrushchev apprehensive and anxious. When Mao declared that China “shouldn’t be afraid of atomic bombs and missiles” even if three hundred million Chinese were

\(^{161}\) Zubok and Pleshakov, *Inside the Kremlin’s Cold War*, 181; Gaddis, *We Now Know*, 219.
\(^{162}\) Khrushchev, *Khrushchev Remembers*, 252, 284.
killed because “the years will pass, and we’ll get to work producing more babies than ever before,” Khrushchev called such rhetoric “deeply disturbing.”\footnote{Khrushchev, \textit{Khrushchev Remembers}, 255.} If anything, Mao’s personality contributed to the rupture in Sino-Soviet relations: when Mao told Khrushchev in 1958 that the USSR and China need not fear an American nuclear device because the socialists could raise more divisions than capitalist countries could, Khrushchev remembered that he was “too appalled and embarrassed by [Mao’s] line of thinking even to argue with him. To me, his words sounded like baby talk. How was it possible for a man like this to think such things? For that matter, how was it possible for him to have risen to such an important post?”\footnote{Khrushchev, \textit{Khrushchev Remembers}, 260.}

Khrushchev himself provides the most compelling evidence that trust did not ultimately motivate his decisionmaking. In describing tensions between the two states, the Soviet leader explained that “friendship is one thing, business is another. As long as each government has to serve its own people first and foremost, such disappointments are unavoidable in one country’s relations with another.”\footnote{Khrushchev, \textit{Khrushchev Remembers}, 248.} As Kroenig summarizes, “Moscow refused to provide China with sensitive nuclear assistance when the two countries shared a common Communist ideology — but agreed to do so when they did not. These facts cast serious doubt on an ideological explanation for Sino-Soviet nuclear cooperation.”\footnote{Kroenig, \textit{Exporting the Bomb}, 128.}

\textbf{Alternative Explanation: Prestige}

Scholars may also argue that the Soviets supplied the Chinese with nuclear technology to gain prestige in the international system. To be sure, the “atomic culture” of the Soviet Union placed a high emphasis nuclear achievement: in the two decades following World War II, Soviet

\begin{flushright}
163 Khrushchev, \textit{Khrushchev Remembers}, 255.  
166 Kroenig, \textit{Exporting the Bomb}, 128.
\end{flushright}
scientists “described in grandiose terms the potential for the application of nuclear energy,” both for the domestic economy and to “accelerate the construction of communism.”¹⁶⁷ Technology, particularly nuclear technology, came to represent a “panacea” for Soviet ills.¹⁶⁸

And yet it is critical to keep in mind that while the Soviets sought prestige from their own nuclear program, they did not seek to leverage their assistance to China as a means of gaining due recognition from the United States or other global actors. The clandestine nature of the assistance program demonstrated the Soviet Union’s aversion to being recognized for the deed. Leaders in Moscow in fact continued to deny Soviet involvement for years after their scientists had withdrawn from China: a Radio Moscow broadcast in July of 1964 stated that the “Chinese leaders have been at great pains to obtain possession of nuclear weapons. They strenuously tried … to get the Soviet Union to give them the atomic bomb. The CPSU and the Soviet Government naturally could not consider this, since it might have led to the most serious consequences.”¹⁶⁹

**In-Case Variation**

Decisionmakers in Moscow were initially unwilling to discount the future strategic risks associated with nuclear assistance. Khrushchev at first refused to provide China with nuclear technology; he repeatedly turned down Mao’s requests, maintaining that the Soviet Union would not accept the risks of such cooperation. At the time of these refusals, Soviet leaders did not perceive that an immediate and acute threat to their state’s interests in Asia existed.

And yet Soviet decisionmakers came to believe that the U.S. threat was immediate and acute in the eighteen months following the Korean War. Not only had that war left thousands of

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Americans troops on the peninsula, but by 1955 — the year that Khrushchev relented in his opposition to transfers of nuclear technology — the United States had also penetrated Vietnam, issued nuclear threats against both Moscow and Beijing, and battled in and around the Taiwan Straits. By providing China with nuclear technology, material, and training, Khrushchev sought to cement ties with a critical ally and raise the stakes of an American attack on the PRC, all in a bid to counter the American threat to Soviet interests in Asia. Such variation shows the explanatory power of a shift in the balance of threat in determining future risk tolerance.

Notably, Khrushchev accepted the risks of nuclear assistance in part because he believed he could manage those risks: he not only restricted the types of technology that were exported, but also sent Soviet scientists and military officials to China to monitor and oversee the Chinese nuclear program. Khrushchev’s willingness to transfer nuclear technology to China in many ways depended on his belief that the risks were controllable; when he no longer thought that Chinese policies were predictable — a result of the Second Taiwan Straits Crisis, the Great Leap Forward, and the sidewinder missile incident, among other events — he lost faith that he could manage those risks and consequently terminated cooperation. This variation underscores the importance of risk management in determining strategic risk acceptance over time.

**Conclusion**

China ascended to nuclear weapons status despite the withdrawal of Soviet aid. On 16 October 1964, the Chinese detonated their first nuclear device in the Xinjiang desert. In the decade leading up to that test, the Soviet Union had performed the “greatest transfer of technology in world history” and had trained thousands of Chinese nuclear scientists at the
Dubna Institute and in China itself. Khrushchev himself wrote painfully about the assistance his country provided Beijing. “Before the rupture in our relations,” he noted, “we’d given the Chinese almost everything they asked for. We kept no secrets from them. Our nuclear experts cooperated with their engineers and designers who were busy building an atomic bomb. We trained their scientists in our own laboratories.”

Though Khrushchev’s memoirs may have exaggerated the level of assistance, the Soviets did play an instrumental role in developing the Chinese nuclear program. In doing so, they ran the tremendous risk of equipping a country with the power to destroy the USSR. Notably, Khrushchev had other ways to address the U.S. threat: he could have remained committed to conventional military assistance or created a regional pact to rival SEATO. And yet he ultimately discounted those strategic risks in order to counter acute and immediate threats through nuclear assistance. Khrushchev’s belief that he could manage those risks further increased his risk tolerance.

Khrushchev would clearly regret rejecting these alternative options: in the years after he halted the aid, China was “‘always’ on Khrushchev’s mind,” no doubt because his decisionmaking had helped Beijing develop a weapons capability. U.S. President Lyndon Johnson stated two days after China’s successful detonation, “At first, in the 1950s, Russia helped the Chinese. This assistance in the spread of nuclear weapons may now be regarded with some dismay today in Moscow.” Johnson’s insight would prove prescient: China and the Soviet Union fought a border war in 1969, less than fifteen years after Moscow began its transfer

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171 Khrushchev, Khrushchev Remembers, 268.
173 Johnson. Quoted in Halperin, China and the Bomb, 79.
of nuclear technology.

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<th>Hypothesis</th>
<th>Predictions Met?</th>
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<td>Shifts in the Balance of Threat</td>
<td>Yes</td>
<td>U.S. encroachment into Asia; threat to key ally China</td>
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<tr>
<td>Risk Management</td>
<td>Yes</td>
<td>Restrictions on technological transfers; abrogation of agreements when Chinese policies no longer predictable</td>
</tr>
<tr>
<td>Domestic Politics</td>
<td>Somewhat</td>
<td>Yes: Support for Khrushchev and Soviet regime after 1956 Eastern European uprisings and 1957 Anti-Party crisis No: Promises for advanced nuclear technologies left largely unfulfilled; previous events show domestic politics not sufficient to increase risk acceptance</td>
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<tr>
<td>Trust</td>
<td>No</td>
<td>Shared socialist identity not sufficient to ensure sustained cooperation; interpersonal relations between Khrushchev and Mao were strained</td>
</tr>
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<td>Prestige</td>
<td>No</td>
<td>Domestic program was source of prestige; transfers were secret</td>
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CHAPTER FOUR
Jordanian Sponsorship of the Palestinian Fedayeen

This chapter examines Jordan’s support of the Palestinian fedayeen from 1968 to 1970.\(^1\) During that time, the regime of King Hussein bin Talal gave material aid and provided sanctuary to the fedayeen. Moreover, the king repeatedly declared that his government was cooperating with the guerillas, who were carrying out terrorist attacks against Israel. In providing such assistance, Hussein risked not only retaliation from Israel (“revenge”), but also attacks from the fedayeen themselves (“boomerang”). This chapter begins by placing the Jordan-fedayeen relationship in historical context, showing that Hussein had long sought to restrict the guerillas’ activities before beginning to support them in March of 1968. The chapter then tests the case against the variables in question, arguing that Hussein’s willingness to discount the future strategic risks associated with backing the fedayeen increased principally as a result of Israel’s attack on Karameh. Complementing that motivation was Hussein’s belief that he could manage those risks through coordination and agreements with the guerillas. The chapter further concludes that while domestic politics influenced the king’s risk calculus, such concerns played a secondary role in determining Hussein’s decisionmaking.

Background

King Hussein was a member of the Hashemite Dynasty, a family that has ruled Jordan since its creation after World War I. Hussein’s grandfather, Abdullah, had taken control of the West Bank after the 1948 War and in 1950 annexed the area. When Abdullah subsequently

\(^1\) This dissertation acknowledges that the Palestinian fedayeen were not part of a monolithic movement. By the time Hussein had begun lending support to the guerillas, there were, by some estimates, more than fifty guerilla organizations. Gowers and Walker, *Behind the Myth*, 74. In addition to Fatah, other significant groups included the Syrian-backed Vanguards of the Popular Liberation War (also known as Saʿiqa), the Popular Front for the Liberation of Palestine (PFLP), and the Democratic Front for the Liberation of Palestine (PDFLP). Quandt, “Political and Military Dimensions of Contemporary Palestinian Nationalism,” 64.
granted citizenship to the estimated 800,000 Palestinians now residing in his territory, they came to outnumber the native Jordanians by two-to-one.²

Since the formation of the state, the monarchy has maintained a “dominant position” in the country’s decisionmaking process.³ In accordance with the Jordanian constitution, the king “appoints the prime minister, the president, and the members of the Senate,” and he “commands the armed forces, approves and promulgates laws, declares war, concludes peace, and signs treaties.”⁴ Given this power, this case focuses on Hussein as the key decisionmaker in determining support for the fedayeen.

Initial Prevention

Jordanian support for the Palestinian fedayeen was, in fact, a sharp departure from its original policy of preventing their attacks against Israel. Hussein initially chose to thwart the raids and avoid the risks — particularly the devastating Israeli reprisals — associated with them.⁵ After Yasser Arafat’s Fatah conducted its first raid into Israel on 31 December 1964, Jordanian border patrols stopped numerous fedayeen infiltrations into Israel, arresting Palestinian operatives and confiscating their weapons.⁶ Even in the face of vitriolic Arab pressure (Hussein

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⁶ Shemesh, “The IDF Raid on Samu,” 150. The government “instructed the security services to crack down on smugglers and local operatives who provided logistical support to Fatah operations. Moreover, military intelligence increased its efforts to penetrate Fatah cells and expand its surveillance activities of hardcore PLO activists.” Tal, *Politics, Military, and National Security in Jordan*, 106.
was roundly condemned for his actions against the Palestinians at the Third Arab Summit in September 1965), the king remained committed to curtailing fedayeen activity.7

The king also launched rhetorical attacks on the Palestinian groups. In a 4 October 1965 speech, he called the fedayeen “traitors who help Zionism” and criticized Fatah for its attempts to “push us into war with Israel before we are properly prepared.”8 That same month, Prime Minister Wasfi al-Tal reiterated that “Jordan is Palestine,” and that Jordan’s army, not the Palestinian fedayeen, would defend the front line.9 Matching deeds to words, the king reissued his “strict orders to army commanders to stop the fedayeen from crossing the border.”10

Mass arrests of Fatah conspirators continued throughout the following fall and winter, often accompanied by deadly clashes between Fatah and Jordanian soldiers.11 Indeed, from 1965 to 1966, more “commandos were killed by the Jordanians and Lebanese while on their way to and from Israeli territory than by the Israelis during this period.”12

**War and Karameh**

The outbreak of war in June of 1967 caused dramatic changes in the geopolitical realities of the Middle East. In understanding the conflict and its ramifications, it is first important to remember that Hussein’s rule took place against the backdrop of the internecine battles that Malcolm Kerr famously termed the “Arab Cold War.” From the mid-1950s through the 1960s, conflicts within the Arab world “pitted revolutionary against conservative or moderate regimes,”

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7 Jordanian Intelligence Services even falsified messages to Fatah operatives in Syria, baiting them into Jordan and then arresting them. Susser, *On Both Banks of the Jordan*, 90.
10 Shemesh, “The IDF Raid on Samu,” 151.
as well as revolutionary regimes against each other.\textsuperscript{13} The constantly shifting alignments left nearly every member of the Arab League at war with or vulnerable to its fellow members.\textsuperscript{14}

While Jordan had long been a target of Syrian and Egyptian taunts, its weakness and isolation worsened on the eve of the 1967 conflict. Indeed, inter-Arab relations reached a nadir when the Arab League Defense Council met in Cairo on 15 December 1966 and Jordan’s delegates “found themselves vilified for failing to protect the Palestinians and fulfill their obligations under the United Arab Command.”\textsuperscript{15} Even Hussein’s efforts to “build up relations with the conservative states in the Arab world, principally Saudi Arabia, had done nothing to afford Jordan a defense against the Syrian [or] Egyptian … propaganda attacks, or to ward off the potential threat of Israeli action.”\textsuperscript{16} So bad was Hussein’s situation that he considered withdrawing from the Arab League, where Palestine Liberation Organization (PLO) Chairman Ahmad Shuqayri was pressing for his indictment on charges of treachery.\textsuperscript{17}

The war of words between Hussein and his Syrian and Egyptian adversaries became increasingly vicious. The Syrian prime minister declared that “Jordan is becoming a garrison of imperialism, a camp for training mercenary gangs, a reactionary outpost for the protection of Israel,” and on 22 February Egyptian President Gamal Abdel Nasser referred to Hussein as the “whore of Jordan.”\textsuperscript{18} When Syria and Israel skirmished in the spring of 1967, Radio Amman attacked Nasser for not coming to Syria’s aid. In response, Egyptian and Syrian authorities

\textsuperscript{13} Kerr, \textit{The Arab Cold War}, 96.
\textsuperscript{14} Kerr, \textit{The Arab Cold War}, 96.
\textsuperscript{15} Oren, \textit{Six Days of War}, 36.
\textsuperscript{16} Ashton, \textit{King Hussein of Jordan}, 112.
\textsuperscript{17} Ashton, \textit{King Hussein of Jordan}, 112.
\textsuperscript{18} Oren, \textit{Six Days of War}, 37, 48.
asserted that Jordan had actually colluded in the attacks on Syria.\textsuperscript{19} Syria upped the ante when members of the regime in Damascus orchestrated a 21 May attack at a Jordanian border station.\textsuperscript{20}

And yet, to the surprise of many observers, war broke out not among the Arabs, but between the Arabs and Israel.\textsuperscript{21} Knowing that the Arab armies could not successfully take on Israel, Hussein did not seek a full-scale war. The Jordanian Arab Legion was no match for the Israel Defense Force (IDF), a fact made clear during Israeli reprisal raids.\textsuperscript{22}

Still, Hussein disregarded Israeli assurances that Jordan would be safe so long as it stayed out of the conflict. The king knew that he “would have to go to war to save his kingdom; not from Israel, but from Egypt and Syria.”\textsuperscript{23} Hussein ultimately determined that not joining the Arab cause was more dangerous than entering the war on the losing side. As Kerr explains, “Had [Hussein] not come over to Nasser, an Egyptian success over Israel would have left him completely at his enemies’ mercy. If Nasser’s game went badly, on the other hand, it would still be safer to have shown solidarity than to appear to be riding on Israel’s coattails.”\textsuperscript{24} Hussein therefore moved to make common cause with the Arabs. On 30 May he piloted his own jet to Cairo, where he signed a defense pact with Nasser.\textsuperscript{25} The king placed his forces under the control of Egyptian General Abdel Munim Riad, and agreed to allow troops from Egypt, Syria, and Iraq into Jordan.\textsuperscript{26}

\textsuperscript{19} Ashton, \textit{King Hussein of Jordan}, 112.
\textsuperscript{20} Lunt, \textit{Hussein of Jordan}, 82; Kerr, \textit{The Arab Cold War}, 127; Ashton, \textit{King Hussein of Jordan}, 112.
\textsuperscript{22} Oren, \textit{Six Days of War}, 33.
\textsuperscript{23} Becker, \textit{The PLO}, 54.
\textsuperscript{25} Ashton, \textit{King Hussein of Jordan}, 114; Kerr, \textit{The Arab Cold War}, 128.
\textsuperscript{26} Shlaim, \textit{Lion of Jordan}, 239.
Hussein’s decision would prove disastrous. The Arab states suffered a “humiliating defeat” in six days.\textsuperscript{27} Having long pledged to liberate Palestine from the clutches of Zionism, Arab leaders were bowed by the crushing loss at the hands of Israel. The war not only “discredit[ed]” governments across the region, but also “heralded the decline of interventionism between Arab states” and “ushered in a period of domestic instability.”\textsuperscript{28}

The decline of the Arab states was matched by an increase in fedayeen power and prestige.\textsuperscript{29} Unlike the feckless state militaries, the guerillas carried out effective attacks against Israel. Once a “negligible military force before June 1967 … [the fedayeen] were mounting several hundred attacks on Israel each month by 1969.”\textsuperscript{30} The commandos consequently ascended to “regional prominence” at the expense of the once-powerful Arab regimes.\textsuperscript{31}

Though Jordan was perhaps the combatant country least invested in the war, it “prove[d] the principal sufferer.”\textsuperscript{32} The Six Day War “dealt a severe blow to the Jordanian regime’s prestige,” and Hussein paid a nearly unbearable price for his decision to join the Arab cause: in addition to the loss of thousands of Jordanian lives, he lost control of the West Bank, which included the holy sites of Jerusalem.\textsuperscript{33} The war also led to the flight of between 175,000 and 280,000 Palestinian refugees into the East Bank — making the total number of Palestinians in Jordanian territory between 850,000 and more than one million.\textsuperscript{34} He called the events of June

\begin{footnotes}
\footnotetext[27]{Sayigh, \textit{Armed Struggle and Search for State}, 143; Byman, \textit{A High Price}, 33.}
\footnotetext[28]{Sayigh, \textit{Armed Struggle and Search for State}, 143; Quandt, “Political and Military Dimensions of Contemporary Palestinian Nationalism,” 50.}
\footnotetext[29]{Sayigh, \textit{Armed Struggle and Search for State}, 155.}
\footnotetext[30]{Sayigh, \textit{Armed Struggle and Search for State}, 147.}
\footnotetext[31]{Sayigh, \textit{Armed Struggle and Search for State}, 147.}
\footnotetext[32]{Lunt, \textit{Hussein of Jordan}, 94.}
\footnotetext[33]{Byman, \textit{A High Price}, 43; O’Balance, “The Jordanian Wars,” 46.}
\footnotetext[34]{Byman, \textit{A High Price}, 43; Oren, \textit{Six Days of War}, 306; Lunt, \textit{Hussein of Jordan}, 109.}
\end{footnotes}
1967 a “nightmare,” and remembered, “I came out of [the war] desperately tired and discouraged. It was all too hard, too painful.”

Regaining the lost territory became the paramount concern of the king. “The West Bank,” Hussein told a reporter on 19 June 1967, “is an essential part of the Jordanian territory.” He reaffirmed these thoughts in a letter to his prime minister in October of 1967, noting that the “Palestinian question is the cornerstone in Jordan’s internal, Arab, and external policies. If this cause is sacred to our Arab nation, to Jordan it is a question of life or death.”

Hussein initially believed that Israel did not seek further conquests of Jordanian territory and that the occupation was temporary. (Hussein often employed the phrase “temporary occupation.”) In other words, to King Hussein, the post-1967 threat environment changed little from the one he faced before the war. He therefore continued his efforts to prevent the fedayeen from attacking the Jewish State. Through February of 1968, he pledged to take “firm and forceful” action to stop the terrorists, going so far as to label the groups’ operations an “unparalleled crime.” Israeli reprisal policies compounded the king’s motivation to inhibit the guerillas’ freedom of movement; these assaults ensured Hussein “had been left in no doubt that the Israelis were holding him responsible for any border violations, and that Israel was ready and willing to punish Jordan if he failed to control the Palestinians.”

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35 Hussein, My War with Israel, 113; Hussein. Quoted in Oren, Six Days of War, 320. See also Oren, Six Days of War, 247; Ashton, King Hussein of Jordan, 121.
36 Hussein. Quoted in Abu-Odeh, Jordanians, Palestinians, and the Hashemite Kingdom, 142.
37 Hussein. Quoted in Abu-Odeh, Jordanians, Palestinians, and the Hashemite Kingdom, 141.
39 Hussein. Quoted in Hart, Arafat, 221.
40 Hart, Arafat, 221, 261; Bailey, Jordan’s Palestinian Challenge, 46.
Indeed, the war did little to change Hussein’s policies toward the guerillas, who renewed their attacks on Israel on 31 August 1967, timed to coincide with the Khartoum Summit and signal to Arab heads of state that military solutions were the only option. Over the course of the next year, Fatah alone conducted more than sixty operations against Israel, mostly against civilian targets. Hussein repeatedly decried the fedayeen’s actions: on 4 September 1967, he stated, “I regard it as a crime that any quarter should send so-called commandos to engage in activities which … can only assist the enemy in his attempt to break the spirit of resistance to the temporary occupation. … Inasmuch as I am opposed to such methods, it is my duty … to resist them with all my power.” Throughout the fall, Jordanian forces “firmly blocked” guerillas from infiltrating Israel or shelling Israeli facilities. A Fatah statement confirmed that Hussein was successful in these endeavors, as the organization criticized the king for “opposing, hunting down, and arresting the commandos.”

In addition to continuing his policy of restraining the fedayeen, Hussein worked desperately to secure a peace agreement with Israel to retrieve the West Bank. He also traveled to Washington, London, Paris, and Moscow to garner support for a peace deal, working closely with the Americans to craft the language of what would become UN Security Council Resolution 242. The king even managed to secure Nasser’s backing for the initiative. Hussein knew — and the Israelis had told him explicitly — that raids by Fatah and other guerillas would only

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43 Yaari, *Strike Terror*, 246.
derail these peace negotiations, and so he remained dedicated to his ongoing efforts to curtail the terrorist operations; the Israelis even came to regard Jordan as a “dependable ally” in their fight against the fedayeen.\footnote{Fatah fighter Tahar Sa’adi recalled, “On our way back [from an operation], the Jordanian intelligence service caught us and beat us up. Then they turned their headlights on us, forcing us at gunpoint to cross the Jordan so that the Israelis would get us. That was on 15 November 1967.” Tahar Sa’adi. Quoted in Black and Morris, \textit{Israel’s Secret Wars}, 247.}

\textit{Sponsoring the Fedayeen}

And yet a dramatic policy shift occurred in March of 1968. On 21 March, three days after a mine placed by Fatah destroyed an Israeli school bus, the Israeli army launched a devastating assault on the Palestinian camp of Karameh, where Arafat had set up headquarters after moving his forces to the East Bank.\footnote{Bailey, \textit{Jordan’s Palestinian Challenge}, 33; Pollack, \textit{Arabs at War}, 331; Lunt, \textit{Hussein of Jordan}, 117.} In the ensuing battle between Israel, Fatah, and the Jordanian 1st Infantry Division, Israel lost 21 men, while 150 Fatah fighters and 128 Jordanian soldiers were killed.\footnote{Rubin and Rubin, \textit{Yasir Arafat}, 42.} Although Israel ultimately succeeded in destroying the camp, in many ways the Arabs came out the victors: because the Israelis “had a tougher time than they expected and probably did not do as much damage to the Jordanians as they had hoped,” Arafat and Fatah painted the battle as a fedayeen victory.\footnote{Pollack, \textit{Arabs at War}, 334.}

As discussed in greater detail below, Hussein perceived Israel’s attack on Karameh as an unprecedented assault on Jordan’s territorial interests; after the battle, the king came to believe that Israel not only posed an immediate and acute threat to Jordanian sovereignty, but also sought a permanent — rather than temporary — occupation of lands taken in the 1967 War. In addition to introducing this acute and immediate threat, the Battle of Karameh also caused the popularity of the fedayeen in Jordan to skyrocket, fundamentally altering both the regional and domestic
political situation for Hussein. At home, Fatah’s version of the battle was “readily believed by many victory-starved Arabs everywhere and immediately nurtured a fedayeen mystique.”⁵¹ Karameh (which means “dignity” in Arabic) came to serve as the foil to the humiliations suffered in 1967. If the Six Day War “confirmed Arab weakness, then Karameh seemed to highlight Palestinian strength.”⁵² A tremendous outpouring of public support took place in Jordan after the battle. Members of Fatah who had been killed at Karameh were “given public funerals in Amman to the accompaniment of hysterical acclaim,” while mass celebrations and demonstrations gathered around a destroyed Israeli tank that had been dragged to the city’s center.⁵³ For weeks, newspapers reported “‘enthusiastic’ public support for fedayeen activities.”⁵⁴

By the end of March — about a week after the Battle of Karameh — the king had not only abandoned his efforts to curb fedayeen operations, but had begun to support them actively. The speed of his about face was remarkable: up to the point of the battle, he had not only repressed the fedayeen, but had also pledged to take continuing “firm and forceful” measures against them. In February of 1968, for example, Hussein denounced the guerillas for provoking Israeli reprisals and told the press that he “will not allow anyone to provide the enemies of my country and nation with another excuse … or pretext which our enemies can use further to mislead the world. … In the future, any group that ignores our positions, adopts different attitudes than ours and disregards the chances we provide for those who are anxious for the battle, does not belong to us and is alien to the cause. We oppose such groups with all our

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⁵¹ Bailey, Jordan’s Palestinian Challenge, 37.
⁵² Miller, PLO and the Politics of Survival, 25.
⁵³ Lunt, Hussein of Jordan, 118; Hart, Arafat, 227; Rubin and Rubin, Yasir Arafat, 42.
⁵⁴ Dishon, Middle East Record: 1968, 597; Cobban, The Palestinian Liberation Organization, 45.
strength and determination.”55 Within days of the Battle of Karameh, however, he reversed course and threw his support behind the fedayeen.56 In addition to providing sanctuary “without obstruction” to the guerillas, the government extended to them military support.57 Jordan’s army “provided all types of assistance, including air cover, to Fedayeen crossing the Jordan River.”58

The government gave advance warning to guerrillas about Israeli raids, and came to their defense when such attacks occurred.59 In June, newspapers reported that the “Jordanian Military Police and Fatah, the PLO, and the PFLP [the Popular Front for the Liberation of Palestine] were ‘cooperating to an unprecedented degree.’”60 Officers in the Jordanian army “began taking an active role in fedayeen operations,” and when Israel attacked fedayeen positions, the “Jordanian army fought side by side with the Palestinian commandos.”61

The king also became an outspoken supporter of the guerillas and helped them garner positive publicity. Not only did he provide translators for Palestinian guerillas doing interviews with Western press, but he commented frequently on the justness of the fedayeen cause and the necessity for Jordanian complicity.62 Once a staunch opponent of the fedayeen, the king famously remarked after Karameh, “We are all fedayeen,” and the “fedayeen movement continues to grow because we want it to grow.”63 In a letter to then-Jordanian Prime Minister Bahjat Talhuni on 13 September 1968, Hussein summarized his position on the matter: “We

55 Hussein. Quoted in Dishon, Middle East Record: 1968, 587.
56 Hussein. Quoted in Hart, Arafat, 221.
57 Braizat, The Jordanian-Palestinian Relationship, 139.
58 Braizat, The Jordanian-Palestinian Relationship, 139-40. See also Dishon, Middle East Record: 1968, 597.
59 Hart, Arafat, 222.
60 Dishon, Middle East Record: 1968, 590.
61 Bailey, Jordan’s Palestinian Challenge, 45-46; Sinai and Pollack, Hashemite Kingdom of Jordan and the West Bank, 32. See also Abu-Odeh, Jordanians, Palestinians, and the Hashemite Kingdom, 167.
63 Hussein. Quoted in Bailey, Jordan’s Palestinian Challenge, 38.
have declared that we do not accept responsibility for the safety and security of the Israeli occupation forces. … We also declared that we were staunch supporters of legitimate resistance … against occupation.”

_Fraying Ties_

Despite the extensive and sanctioned cooperation between the Jordanian government and the Palestinian fedayeen, armed battles between Jordanian troops and the fedayeen broke out with increasing frequency. A major fight occurred in October of 1968 after guerillas kidnapped a Syrian dissident living in Jordan and smuggled him back to Damascus. On 2 November, at a rally marking the fifty-first anniversary of the Balfour Declaration, attendees at a fedayeen-organized demonstration marched on the U.S. Embassy and damaged the building; a dozen people were killed in the ensuing clashes with Jordanian armed forces. While the king declared on 6 November that he “had never tried or had any intention to terminate or limit fedayeen activity,” Hussein became aware that he increasingly had to manage the risks the guerillas were posing to his country.

Hussein’s efforts resulted in the November 16 Agreement, which was signed by representatives of the fedayeen. Many of the agreement’s stipulations concerned domestic tranquility: the fedayeen were to carry identification cards and would no longer bear arms, wear uniforms, or stop civilian cars in Jordan; Jordanian authorities, rather than the fedayeen

64 Hussein. Quoted in Dishon, _Middle East Record_ 1968, 589. The government also publicized its assistance to the guerillas in local magazines and newspapers. See Shemesh, _The Palestinian Entity_, 134.
65 Braizat, _The Jordanian-Palestinian Relationship_, 141.
66 Dishon, _Middle East Record_ 1968, 593; Becker, The PLO, 66; Shemesh, _The Palestinian Entity_, 135.
67 Dishon, _Middle East Record_ 1968, 595. See also Hussein. Quoted in Dishon, _Middle East Record_ 1968, 593; Bailey, _Jordan’s Palestinian Challenge_, 40.
themselves, would investigate crimes; and a council, consisting of delegates from the fedayeen and the government, would resolve disputes between the two sides.68

In addition to these stipulations, there were also a series of secret provisions that centered on managing the strategic risks posed by the fedayeen’s operations. While the agreement “guaranteed the fedayeen full freedom of action, including the freedom to decide on the nature of their activities,” it also set out to manage risks by specifically delineating the conditions under which they could attack Israel.69 Those stipulations included: “1) The fedayeen were not to engage in any military activity in the Aqaba area; 2) Operations in the Arava region were to be carried out no less than 10km inside Israeli territory; 3) Fedayeen infiltration into Israel was to be coordinated with the local Jordanian battalion commander; [and] 4) Fedayeen were not to shell Israeli targets from bases on the East Bank.”70

Cooperation continued and increased through 1969. In February of that year, Hussein provided additional financial aid to the PLO, which was by then under Fatah’s command.71 Such financial assistance was matched by increased military support and cooperation.72 That summer, Jordanian Prime Minister Abd el-Munim Rifai confirmed to a Lebanese journalist that the government did not and would not deter fedayeen action. “We have no reason to intervene,” he asserted. “The Fedayeen movement operates … with complete freedom.”73 The collaboration

68 Dishon, Middle East Record: 1968, 596-97. See also Becker, The PLO, 66; McLaurin, “The PLO and the Arab Fertile Crescent,” 25; Bailey, Jordan’s Palestinian Challenge, 41-42.
69 Dishon, Middle East Record: 1968, 596.
70 Dishon, Middle East Record: 1968, 596-97. See also Becker, The PLO, 66; Yaari, Strike Terror, 257; Kerr, The Arab Cold War, 141.
71 Cobban, The Palestinian Liberation Organization, 44; Miller, PLO and the Politics of Survival, 24.
72 On 21 May 1969, for example, the Jordanians destroyed an Israeli tank and shot down a plane when the IDF attempted an assault on a guerilla stronghold. As in other battles, the fedayeen and the Jordanian Army fought side by side. Sobel, Palestinian Impasse, 71.
73 Rifai. Quoted in Yaari, Strike Terror, 258.
between the Jordanian government and the fedayeen was reflected by the sharp spike in successful raids into Israel, even in the face of crushing Israeli reprisals.\textsuperscript{74}

And yet durable harmony between the government and the fedayeen proved elusive. Skirmishes continued to break out, and another agreement had to be signed in February of 1970. That accord built upon the November 1968 pact, stipulating that only Jordanian authorities could make arrests and that the fedayeen must carry identification cards and have license plates on their vehicles. Guerillas were again forbidden to bear arms in Jordanian cities, stockpile explosives, or collect weapons.\textsuperscript{75} Moreover, they could not hold gatherings without permission from the government. Finally, the guerillas were prohibited from publishing newspapers unless they adhered to government regulations.\textsuperscript{76}

The violence between Jordanian troops and the fedayeen continued largely as a result of divisions within and among the guerilla groups.\textsuperscript{77} While Arafat’s Fatah generally sought to work with Hussein, the leftist guerilla groups, including the PFLP and the Democratic Front for the Liberation of Palestine (PDFLP), agitated against the monarchy. Led by George Habash, the PFLP “did not believe in Arafat’s logic of the need to cooperate with existing Arab regimes” and in fact accused Hussein of collaborating with Israel and the United States against the

\textsuperscript{74} Shemesh, \textit{The Palestinian Entity}, 132.
\textsuperscript{77} Even after Arafat’s Fatah took control of the PLO, the organization was “plagued by rivalries and disputes,” with factionalism trumping attempts at coordination or unity. Kerr, \textit{The Arab Cold War}, 137; Lunt, \textit{Hussein of Jordan}, 119, 124. The movement remained “badly fragmented,” and fighting occurred not only between factions, but also within them. Quandt, “Political and Military Dimensions of Contemporary Palestinian Nationalism,” 71. See also Ashton, \textit{King Hussein of Jordan}, 138.
Palestinians. For Habash, the “road to Tel Aviv passed inescapably through Amman,” and his group was therefore “unwilling to allow its freedom of action to be curtailed.” What is more, the groups sought to gain popularity at the expense of one another, and the “monarchy offered a convenient foil in particular for the determined ‘outbidding between the PFLP and PDFLP as each vied to prove its revolutionary credentials and outdo the other with fiery rhetoric and provocative acts.”

Thus, even while a Fatah-controlled PLO may have been satisfied with the freedom of movement and sanctuary that Hussein was providing, the other groups still felt compelled to attack his forces.

Violent skirmishes between the two sides continued on and off for more than a year before reaching a pivotal point in February of 1970. After members of the PFLP attacked police stations, Jordanian security officers counterattacked, killing thirty fedayeen. When the king responded by seeking to constrain (not eliminate) their activities, the guerrillas “denounced the measures as designed to crush their movement for the sake of a peaceful settlement with

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78 Kerr, *The Arab Cold War*, 143.
Shortly after voicing their protestation, the fedayeen were “assured that the regulations were not designed in any way to restrict their activities.”

To maintain ties with the guerillas, the king took the extra step of dismissing Interior Minister Mohammad Rasul as-Kilani, who had led the charge against the fedayeen’s unruly behavior.

Conflict between the fedayeen and Jordanian soldiers escalated in June when the guerillas began looting and beating civilians in Amman. Jordanian paratroopers were attacked on 6 June, and an American diplomat was kidnapped the next day. Thirty people were killed during the ensuing fighting in Zarqa. A tense ceasefire failed on 9 June when the PFLP seized two hotels in Amman and took nearly ninety foreigners hostage. By 12 June, about one-thousand fedayeen, Jordanian troops, and civilians had been killed or wounded in the fighting.

Despite the havoc the fedayeen were wreaking on Jordanian society, the king remained committed to sponsoring them. In addition to his public pronouncements of continuing support for the guerillas — which ran the risk of inviting further revenge attacks from Israel — the king continued providing sanctuary and aid to them. What is more, he did not take sufficient action to deter or curtail the fedayeen’s activities. Those Jordanian troops who attacked the fedayeen did not do so at the behest of Hussein; military commanders and troops generally disobeyed direct orders when firing on the guerillas. While some analysts may suggest that Hussein secretly encouraged military officers to attack the guerillas, the fact remains that the king did not employ the necessary and available force to truly constrain or repress them, as he did in September of

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85 Lunt, Hussein of Jordan, 123.
87 Quandt, “Political and Military Dimensions of Contemporary Palestinian Nationalism,” 58; Sayigh, Armed Struggle and Search for State, 252.
1970. Rather, he continued by deed to support them, even bowing to their demands about personnel changes at the highest levels of the government.

Indeed, after meeting with the fedayeen about the June fighting, the king dismissed Nasir bin Jamil, Commander in Chief of the Jordan Army, and Sharif Zayd bin Shakir, an army commander who had shelled the guerilla camps. The men were replaced by individuals who were friendlier to the Palestinian guerillas. Pledging to give the fedayeen freedom of movement, Hussein described the arrangement as one that “would ensure to honorable fedayeen activity a greater capacity for action.” On 27 June, Hussein also forced out Talhuni and appointed Abd Rifai as prime minister, bringing to power a “nationalist coalition among whom fedayeen supporters were prominent.” To underscore his continued support, the king again increased military and financial aid to the fedayeen. In an agreement signed on 10 July, the “commandos were given freedom of movement” as the “government pledged, somewhat vaguely, not to take actions against the interests of the resistance.” In return, the fedayeen promised that their actions would “not injure the sovereignty of the state.”

Still, fighting between Jordanian forces and the fedayeen continued to erupt. Tensions were ratcheted even tighter when, on 24 July, Nasser accepted an American-backed proposal to end the hostilities along the Suez Canal (known as the “War of Attrition”). Though not overtly involved in the conflict, Jordan joined Egypt two days later in accepting the initiative. What is

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88 Bailey, Jordan’s Palestinian Challenge, 51.
90 Shemesh, The Palestinian Entity, 139.
91 Shemesh, The Palestinian Entity, 139. See also Gowers and Walker, Behind the Myth, 74; Dishon, Middle East Record: 1968, 590; Braizat, The Jordanian-Palestinian Relationship, 142.
92 Sinai and Pollack, Hashemite Kingdom of Jordan and the West Bank, 33; Kerr, The Arab Cold War, 144.
93 Shemesh, The Palestinian Entity, 140; Lunt, Hussein of Jordan, 128.
94 Quandt, Peace Process, 71-73.
more, both Cairo and Amman agreed to negotiate with Israel on the basis of UN Security Council Resolution 242. Though Hussein had long been pursuing such policies secretly, this was the first public pronouncement of such efforts, and the fedayeen rejected it vehemently.

*End of Support*

Nasser and Hussein’s acceptance of the ceasefire ultimately motivated the fedayeen to new levels of extremism. An attempt was made on the king’s life on 1 September. Still, Hussein avoided a confrontation with the fedayeen and continued Jordan’s official support of their mission. On 3 September, Hussein “appealed for peace between his troops and the Arab commandos.” Rather than condemning the fedayeen for the violence or the attempt on his life, Hussein redirected discontent onto Israel, stating, “Our gallant army is eager to turn all its attention beyond our immortal river where the Arab rights await recovery from the clutches of aggression.”

The turning point came on 6 September when the PLFP hijacked two airplanes and flew them to Jordan’s Dawson Airfield, where the aircraft were joined by a third, hijacked British plane on 9 September. The guerillas not only hoped to secure the release of prisoners held in Europe and Israel, but also sought to “provoke a confrontation between Hussein and the

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95 Susser, *On Both Banks of the Jordan*, 137.
fedayeen movement, with Iraq and Syria throwing their weight behind the Palestinians.\textsuperscript{100} The fighting that broke out during the hijacking crisis left two-hundred guerillas dead or injured.\textsuperscript{101}

The incident proved to be a pivotal moment for the regime, which “saw the hijackings as a challenge to Hussein’s authority and as a signal for a revolution to overthrow the king.”\textsuperscript{102} The event indeed “proved to be the last provocation Hussein would endure”: on 15 September, he told cabinet member Adnan Abu-Odeh, “If [this situation] continues any longer, I am afraid we shall lose Jordan and Palestine. Therefore, we have decided to form a military cabinet to restore law and order to the country and put an end to this chaos.”\textsuperscript{103} Hussein dissolved the civilian cabinet and gave Muhammad Duwud control of the government; bin Shakir was reappointed as deputy chief of operations.\textsuperscript{104} The new government “immediately declared martial law and ordered all Palestinian militia forces in the cities and refugee camps of the king to surrender their weapons.”\textsuperscript{105}

The fighting began in earnest on 17 September and lasted nearly five days. Government forces opened the battle by shelling refugee camps throughout the country and then conducting door-to-door raids in the cities.\textsuperscript{106} By 18 September, a “heavy pall of smoke” hung above

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\textsuperscript{100}Quandt, \textit{Peace Process}, 76-77; Becker, \textit{The PLO}, 74-75.
\textsuperscript{102}Rubin and Rubin, \textit{Yasir Arafat}, 50.
\textsuperscript{104}Abu-Odeh, \textit{Jordanians, Palestinians, and the Hashemite Kingdom}, 182; Braizat, \textit{The Jordanian-Palestinian Relationship}, 141.
\textsuperscript{105}Sayigh, \textit{Armed Struggle and Search for State}, 261. See also Braizat, \textit{The Jordanian-Palestinian Relationship}, 141; Quandt, \textit{Peace Process}, 78.
\textsuperscript{106}Rubin and Rubin, \textit{Yasir Arafat}, 53.
\end{flushright}
Amman. More than three-thousand Palestinians had been killed in what would come to be known as “Black September.”

A halt to the fighting was called on 25 September, and two days later Hussein and Arafat met in Cairo to sign a ceasefire. Speaking to other Arab leaders on 26 September, Hussein stated, “They [the fedayeen] always talked about resistance to Israel. As things turned out, it was not Israel that the fedayeen were after, it was Jordan.” Sporadic fighting continued until July 1971, when Jordanian forces carried out another massive offensive against the fedayeen and expelled them permanently from Jordan. After the battles had ended, al-Tal glibly explained, “They violated our hospitality.”

**Shifts in the Balance of Threat**

Hussein’s decision to discount the future strategic risks of backing the fedayeen resulted primarily from his belief that Israel posed an acute and immediate threat to Jordanian interests. The Battle of Karameh, coupled with the stalling peace process, led the king to perceive not only that Israel was poised to conquer additional Jordanian territory, but also that the Israeli occupation was permanent. Hussein therefore became risk acceptant and sponsored the Palestinian fedayeen.

**Concerns over Conquest.** The king had long demonstrated an aversion to the strategic risks associated with sponsoring the fedayeen. What then could have led him to become so risk tolerant? The first and principal answer lies with the Battle of Karameh, which led Hussein to

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perceive that Israel posed an acute and immediate threat to his state’s security. He referred to Karameh as the “moment of truth” that “wrenched [Jordan] from its ten months coma following the bludgeoning of June 1967.”

The attack on Karameh led Hussein to believe that Israel sought to conquer additional Jordanian territory; the Jordanians “feared that the Israelis were actually gearing up for a drive on Amman.” Writing about the incident, the king noted, “It was even rumored that Israel intended to invade Jordan in the north and south, thus isolating her from her Arab neighbors.” Hussein knew that Jordan could not possibly withstand another Israeli onslaught — his state had lost seven hundred soldiers during the Six Day War, while another 6,500 were injured, missing, or taken prisoner — and he therefore perceived the Israeli threat to be tremendously dangerous.

Israeli action in the aftermath of Karameh seemed to confirm Hussein’s fears, as harsh assaults in the weeks following the battle made a ruinous, final strike appear inevitable. Israeli Minister of Defense Moshe Dayan substantiated the king’s concerns on 26 April when he stated, “If Jordan wants to serve as its Arab neighbors’ tool and sword and if it now wants to pick up the fighting where Egypt dropped it when it was forced to evacuate the Suez Canal, then Jordan will

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113 Some scholars might argue that Hussein was in fact supporting the terrorist movement before Karameh. Indeed, it is notable that Jordanian forces were present at that very battle. However, the historical evidence suggests that such assistance came primarily from junior officers who were disobeying government policy. Jordanian policy to support the fedayeen movements did not begin until after Karameh. See Sayigh, Armed Struggle and Search for State, 177; Jabber, “The Palestinian Resistance and Inter-Arab Politics,” 196.
114 Hussein, My War with Israel, 139.
115 Pollack, Arabs at War, 332. This reasoning was understandable: both the 1956 Sinai Campaign and the 1967 War were preceded by terrorist raids into Israel and escalating retaliations. Oren, Six Days of War, 29; Meir, My Life, 352.
116 Hussein, My War with Israel, 140.
117 Oren, Six Days of War, 305-6.
118 Sobel, Palestinian Impasse, 29-30.
turn into a battlefield where there will be no place for regular civilian life. … If Jordan persists in pursuing guerilla warfare, such warfare will be transferred into its own territory where it will be resolved and determined, thus Jordan will be paying its price.” 119 The Israeli government’s refusal to distinguish the fedayeen from the Jordanian government — which had been working to curtail guerilla operations — exacerbated the shock that Karameh had caused, further increasing Hussein’s risk acceptance.

A Permanent Occupation. The king found such rhetoric and reprisals particularly jarring given his ongoing efforts to secure a peace with the Jewish State. Determined to recover the West Bank, Hussein had circumvented Arab restrictions against negotiating with Israel and met with Israeli officials immediately after the 1967 War. 120 When the Battle of Karameh occurred, however, the king had already started to doubt Israel’s dedication to finding a lasting peace: disputes between the two sides led UNSCR 242 to be essentially stillborn — failure to implement the resolution “left a lasting mark on the King,” who felt “deceived” by the Israelis — and secret meetings proved no more beneficial. 121 Hussein soon began to “suspect that the Israelis had wanted to expand all along. … And he was shocked when the Israeli response was that they were willing to sign a peace treaty with Jordan but only if Jordan agreed to cede parts

120 At the Arab Summit in Khartoum in August 1967, Hussein had lobbied the other Arab delegates to negotiate with Israel. And yet even the support of Nasser failed to persuade the other heads of state, who resolved that there would be “no peace with Israel, no recognition of Israel, no negotiation with her.” Lunt, *Hussein of Jordan*, 111; Oren, *Six Days of War*, 321; Quandt, *Peace Process*, 46; Nevo, *King Hussein and the Evolution of Jordan’s Perception*, 29. As James Lunt notes, “Hussein was determined that his efforts to recover the West Bank should not be jeopardized by Fatah activities. … His policy was therefore to avoid provoking Israel while he tried to repair the ravages of the June 1967 war.” Lunt, *Hussein of Jordan*, 114.
of the West Bank and all of Arab East Jerusalem.”

The Battle of Karameh thus validated the king’s suspicions that Israel did not seek peace, but rather coveted and aimed to capture additional Jordanian territory. The king explicitly linked the attacks and occupation to his support for the fedayeen: in a radio broadcast in May of 1968, Hussein stated that he “could not stop the fedayeen activities unless Israel retreated from the occupied territories.”

In sum, the Karameh incident served as a shock that dislodged Hussein’s stable policy preferences. Before Karameh, Hussein believed that Israel was a potential peace partner that would surrender control of the West Bank and negotiate a durable settlement with Amman. But the battle convinced the king that the Israeli occupation was permanent — not temporary, as he previously thought — and that Israeli forces were poised to capture even more Jordanian territory. Because he considered control of the West Bank “an issue … of survival or extinction,” Hussein consequently became risk acceptant in his efforts to reclaim the lost land and stave off the immediate and acute threats posed by Israel.

Indeed, with the peace process seemingly moribund, Hussein turned to the fedayeen to counter the Israeli threat. Even al-Tal, a once and future opponent of the fedayeen, believed after Karameh that “Israel had no intention of withdrawing from the lands it occupied and no real

122 Shlaim, Lion of Jordan, 282-83. The Israeli cabinet stated that Jerusalem “must remain undivided and under Israeli sovereignty, as reflected in the cabinet’s 18 June decision to annex East Jerusalem.” Ashton, King Hussein of Jordan, 128.
123 Dishon, Middle East Record: 1968, 588.
124 Hussein. Quoted in Abu-Odeh, Jordanians, Palestinians, and the Hashemite Kingdom, 125. Hussein explicitly linked the faltering peace process with his willingness to back the guerillas: in a May 1968 interview with the BBC, he was asked, “A while ago you criticized their [the fedayeen’s] actions, now you look as if you have turned to support them. What is your real position?” Hussein responded, “They practice their right of resistance because the peace efforts have failed to make any progress.” Hussein. Quoted in Abu-Odeh, Jordanians, Palestinians, and the Hashemite Kingdom, 166.
125 McLaurin, “The PLO and the Arab Fertile Crescent,” 24-25. Washington’s backing of Israel exacerbated Hussein’s belief that Israel posed an acute threat to his country’s security. See Ashton, King Hussein of Jordan, 129, 143; Dishon, Middle East Record: 1968, 601. See also Ashton, King Hussein of Jordan, 143.
interest in a political settlement with the Arabs, since this would entail withdrawal. He therefore
carried out that the Arabs had no alternative but to resort to prolonged guerilla warfare in order to
drive Israel out.”

“As far as the Jordanian regime was concerned,” affirm Paul Jureidini and
William Hazen, “it can be concluded that … [c]oexistence with the Palestinian guerilla
movement was deemed necessary as long as no viable alternative, political or military, to the
Arab-Israel conflict obtained. The guerillas served a useful purpose. They kept the cease-fire line
from becoming permanent boundaries, and they kindled international interest in a political
settlement.”

Notably, the king discontinued support when the guerillas no longer helped counter this
Israeli threat. By September of 1970, Hussein believed that the fedayeen sought to carve out
parts of his country for incorporation into an independent Palestinian state, that “it was not Israel
that the fedayeen were after, it was Jordan.”

This threat displaced the one posed by Israel;
deeming the danger to his country’s interests to be immediate and acute, he cracked down on the
guerillas and expelled them from his land.

Risk Management

Hussein’s perception that he could manage the strategic risks associated with supporting
the fedayeen further increased his risk tolerance. The king believed that his ability to pursue ex
ante risk management through coordination and agreements — both of which signaled credible
commitments — as well as manage risks ex post through monitoring and staying involved in the

126 Shlaim, Lion of Jordan, 278.
127 Jureidini and Hazen, Palestinian Movement in Politics, 49.
128 Hussein. Quoted in Abu-Odeh, Jordanians, Palestinians, and the Hashemite Kingdom, 152.
organizations influenced his risk assessment. These continuing measures preceded material support, lending weight to the risk management explanation.

**Coordination**

Hussein believed that he could mitigate the strategic risks associated with supporting the fedayeen by requiring the guerillas to coordinate their actions with his government. While he “recognized the inherent strategic dangers of continued unrestricted fedayeen operations, he … hop[ed] that he would eventually reach some form of modus vivendi with the PLO.”\(^{129}\) Hussein’s demand for “cooperation and coordination” thus became an integral component of his willingness to support the guerillas.\(^{130}\) Coordination became the “slogan” of the regime, through which the king “demanded that the terrorists synchronize their activities with the Jordanian military command.”\(^{131}\)

In order to ensure such coordination, the king continually met with the fedayeen’s leadership. Hussein “established personal contact with both the Fatah and PFLP leadership in an effort to influence them to cooperate.”\(^{132}\) The king sought especially to cultivate a meaningful relationship with Arafat, believing that “if he could reach an understanding with Arafat there was at least the chance that they could between them stop events from slipping totally out of control.”\(^{133}\) Arafat repeatedly “promised Hussein that he would coordinate attacks with Jordan’s army,” though of course Arafat rarely did.\(^{134}\)


\(^{131}\) Yaari, *Strike Terror*, 248.

\(^{132}\) Ashton, *King Hussein of Jordan*, 140.


\(^{134}\) Rubin and Rubin, *Yasir Arafat*, 41.
The king also organized meetings of the various Palestinian factions in order to ensure coordination. Hussein would often reconvene such meetings immediately after an Israeli reprisal as a means of managing risk. On 4 August 1968, for example, after an Israeli reprisal against the city of Salt, Hussein told representatives of the fedayeen that the IDF attack “proved the need for coordination between the Jordanian Army and the fedayeen activities.”

**Agreements**

In addition to calling for coordination between the fedayeen and the Jordanian government, the king also sought to formalize agreements with the guerrillas regarding standards of acceptable practices. Such efforts were particularly evident in the aforementioned agreements of November 1968, as well as February and July 1970.

Meeting with a group of Bedouin leaders after crafting the February 1970 agreement, the king pointed to the regulations as a way of mitigating the risks of supporting the fedayeen. He told those assembled that “the Palestinian resistance movement was lawful but called for coordination of its efforts with those of the Jordanian government so that ‘we will be united as one man.’” Hussein “said that the basis of the agreement was ‘that law and order must be enforced in Jordan for the safety and security of citizens and all others, particularly when the country is facing a difficult challenge to its survival [from Israel]. We have tried to deal with every loophole. Now everyone knows his limits and responsibilities.’”

Hussein believed that such agreements could lessen the strategic risks posed by backing the fedayeen. What is more, the pacts often preceded allotments or increases in aid to the

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guerillas — the spike in assistance in February of 1969, for example, came shortly after the
November 1968 agreement was inked. And yet the fedayeen continually violated the terms of the
deals, which had to be reissued in March, June, August, and November of 1968; April, August,
and October of 1969; and February and June of 1970. Notably, these agreements did not
merely address the fedayeen’s disruptive behavior in Jordan, but specifically delineated how and
when the guerillas were allowed to strike at Israel. Hussein’s strategy — and its perils — are best
summarized by Uriel Dann, who notes, “During the two and a half years after Karameh, relations
were characterized by Hussein’s courting of these organizations. He publicly justified their
existence, identified himself with their aims, competed with them over declarations of enmity
toward Israel, and even accepted their infiltration into the very seats of power. … All this in
return for the organizations’ ‘recognition’ of Jordan’s sovereignty, carefully defined and hedged
about in ‘agreements’ which were unworkable, and usually inoperative from the moment they
were signed.”

While the king’s initial support for the fedayeen in March of 1968 may have predated
some of these measures, it is important to note that the ex ante risk management strategies
discussed above — calls for coordination and signing agreements — often preceded financial
and military aid to the guerillas. In other words, the king’s assent in March of 1968 may have
granted vocal support to the guerillas, but material support was given over time, usually after
signals of credible commitment from the fedayeen. While the exact timing of the first meetings
and discussions remains unclear, it is apparent that these policies took place by the first week of

June, lending credence to the idea that a perceived ability to manage risks increased Hussein’s risk tolerance.\(^{140}\)

**Staying Involved**

Finally, Hussein also sought to mitigate the strategic risks associated with his actions by staying involved in the support of the fedayeen. This ex post strategy took two distinct forms. First, Hussein created a “determined intelligence and covert operations effort” in the summer of 1969. That force “devoted special attention to recruiting agents within the guerilla groups, and gathered data on their membership, names, and addresses of leaders, supply routes, locations of offices, bases, and depots.”\(^ {141}\) Second, Hussein “made a calculated attempt to form a bond between the Bedouins and Fatah, in order to gain a foothold inside the terrorist organization.”\(^ {142}\)

These efforts highlighted the king’s belief that by staying involved in the organizations, he could mitigate the risks of supporting them. This illusion of control — perhaps more foolishly optimistic than incorrect — increased the king’s willingness to take on the risks associated with backing the fedayeen.

**Alternative Explanation: Domestic Politics**

Hussein’s risk calculus was certainly influenced by domestic politics. Specifically, the king believed that failure to support the fedayeen after the Battle of Karameh would result in mass uprisings or civil war, which in turn could imperil his political survival. These concerns contributed to his willingness to discount the future strategic risks of backing the guerillas. This

\(^{140}\) Hussein met with fedayeen representatives on 4 June to discuss their shared objectives. Dishon, *Middle East Record: 1968*, 588.

\(^{141}\) Sayigh, *Armed Struggle and Search for State*, 245.

\(^{142}\) Yaari, *Strike Terror*, 251.
section reviews those domestic threats, but ultimately argues that such factors play a secondary role in explaining Hussein’s risk acceptance.

**Fear of Popular Uprisings**

The domestic events that transpired in Jordan after the Battle of Karameh contributed to Hussein’s willingness to sponsor the fedayeen. While the fedayeen “became heroes in the Arab world,” support for them was particularly strong in Jordan, where a majority of the population was Palestinian. As Abu-Odeh remembers, the fedayeen were so popular that the regime came to believe its citizens were “willing to suffer [Israeli reprisals] as the price of regaining their lost dignity.” Kerr echoes that “in September 1967, King Hussein openly criticized the guerillas; on the eve of the battle of Karameh he was still doing so. ... After Karameh, with the support the Fedayeen began to receive from the Arab public, it became out of the question for Hussein to prohibit their operations.” Abu Jihad, a leader of the Fatah movement, confirmed that “Karameh opened the door for us to be free in Amman.”

The ardent support in Jordan for the fedayeen influenced the king’s risk calculus about backing the guerillas. Hussein perceived that continuing to clamp down on the fedayeen would cause mass uprisings; he “genuinely feared a bloody civil war” would result from carrying on his

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145 Kerr, *The Arab Cold War*, 140-41. Other scholars have echoed the idea that after Karamah, the Jordanian government proved “[u]nable to resist the overwhelming popular support for the guerillas.” McLaurin, “The PLO and the Arab Fertile Crescent,” 24-25. Fuad Jabber writes that the “popular support that accrued to the fedayeen after the battle of Karamah ... forced Jordan to reverse its position and grant the commando organizations greater freedom to establish training camps, carry out open recruitment and organizational activities, and launch operations into the occupied territories.” Jabber, “The Palestinian Resistance and Inter-Arab Politics,” 195. See also Hart, *Arafat*, 234; Miller, *PLO and the Politics of Survival*, 25.
policy of restraint and repression.\textsuperscript{147} Because more than half of Jordan’s residents were Palestinian, Hussein believed that to “openly declare opposition to the fedayeen, with the popularity they enjoyed, might alienate the Palestinians irrevocably.”\textsuperscript{148} Clinton Bailey explains that because the Palestinians held a majority in the country, to “estrange [them] might therefore endanger not only Hussein’s tenuous ties with the West Bank but the very existence of his regime on the East Bank as well.”\textsuperscript{149}

Indeed, it is important to note that the king believed his tenure was tied inextricably to his ability to represent the Palestinian people and land.\textsuperscript{150} Alleging to be direct descendents of the Prophet, Jordan’s rulers had consistently placed tremendous importance on their stewardship of Islam’s holy sites in Jerusalem and worked tirelessly to lay permanent claims to the West Bank.\textsuperscript{151} Similar to the other Hashemite rulers before him, Hussein believed that the West Bank was “his claim … to be [the] king of Arab Palestine,” without which he would have no legitimacy over his own population.\textsuperscript{152} This was one reason that, after the Six Day War, Hussein’s “primary aim … was to recover the West Bank.”\textsuperscript{153} Thinking that the territory held the key to Hashemite rule, the king came to believe sincerely that his “reign and country were doomed, unless the West Bank were soon retrieved.”\textsuperscript{154}

\textsuperscript{147} Nevo, \textit{King Hussein and the Evolution of Jordan’s Perception}, 40.
\textsuperscript{148} Dann, \textit{King Hussein and the Challenge of Arab Radicalism}, 139; Bailey, \textit{Jordan’s Palestinian Challenge}, 36.
\textsuperscript{149} Bailey, \textit{Jordan’s Palestinian Challenge}, 36.
\textsuperscript{150} Susser, \textit{On Both Banks of the Jordan}, 80; Shlaim, \textit{Lion of Jordan}, 206.
\textsuperscript{151} Jordanian claims to Palestine were officially articulated in a December 1962 White Paper, authored by then-Prime Minister al-Tal at Hussein’s diretion. That document called for a “United Kingdom of Palestine and Jordan.” Susser, \textit{In Through the Out Door}, 2. See also Hussein, \textit{Uneasy Lies the Head}, 124; Bailey, \textit{Jordan’s Palestinian Challenge}, 2.
\textsuperscript{152} Kerr, \textit{The Arab Cold War}, 132.
\textsuperscript{153} Lunt, \textit{Hussein of Jordan}, 110.
In other words, Hussein’s regime was guided by its “desire for recognition by its Palestinian subjects as a legitimate government, without which its rule would never be secure.”

This reasoning had, in the past, compelled Hussein not to tolerate even the idea of a separate Palestinian entity: “The unity of the two banks,” he declared in 1964, “was blessed by God and supported by the people. … Any call for duality or for the dismemberment of this unity is seditious. … Any hand to be stretched out to undermine this unity or this one united country will be severed. Any eye that looks at us with contempt will be pierced.”

And while Hussein deeply feared the threat of Israeli reprisals, the opportunity to reap the short-term benefits of appeasing the Palestinians who lived within his borders was very much enticing, as supporting the fedayeen enabled him to continue to claim leadership over the Palestinian cause.

As such, domestic politics contributed to Hussein’s willingness to discount the future risks of supporting the Palestinian fedayeen. Observers at the time noted that Hussein would do what he must to stave off internal threats to his rule. U.S. Ambassador to Jordan Findley Burns stated that Hussein was “‘prepared for brinkmanship,’ and that he would ‘react like Samson in the temple … risking possible annihilation by the Israelis rather than the high probability of internal revolt.’”

When Hussein perceived that helping the fedayeen would repel domestic threats, he lent his support to the organizations. In fact, hoping to ride the wave of popular support for the fedayeen, the Jordanian government even “established its own short-lived guerilla

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The king knew that in backing the fedayeen, he was exposing his state to strategic risks. And yet, given such ardent public support, he discounted those risks and sponsored the guerrillas.

_of secondary importance_

Concerns over domestic politics clearly affected Hussein’s risk calculus. As this section demonstrates, while domestic threats are relevant, they are of secondary importance in elucidating the king’s future risk acceptance. More specifically, Hussein’s willingness to endure significant internal unrest, coupled with the paramount position of the armed forces in preserving his tenure, diminishes the explanatory power of the domestic politics hypothesis.

_weathering previous storms_. Before choosing to sponsor the fedayeen, Hussein had long demonstrated that he was willing to endure domestic threats. The events surrounding the Samu raid prove illustrative. On 13 November 1966, Israel deployed a force of ten tanks and four hundred men to the West Bank town of Samu in retaliation for ongoing guerilla attacks. Despite outnumbering the Israelis, the Jordanian counterattack “failed quickly and unceremoniously,” leading Jordanian troops to suffer more than fifty casualties, nearly five times as many as Israel. More than one hundred civilians were injured or killed during the attack; those who survived were evicted from their homes, which were subsequently destroyed. The king was widely blamed for failing to protect those under his care, and for nearly two weeks riots

159 McLaurin, “The PLO and the Arab Fertile Crescent,” 53.
160 Oren, _Six Days of War_, 33.
161 Pollack, _Arabs at War_, 290-91.
162 Lunt, _Hussein of Jordan_, 80.
gripped a number of Jordanian cities. Protesters, numbering nearly ten thousand, attacked police and government offices throughout the West Bank and called on the king to abdicate.163

And yet despite this dangerous unrest, Hussein refused to sponsor the guerillas as a corrective action; even the dangers to his political survival were not a sufficient cause for future risk discounting. Hussein displayed similar behavior in the wake of the 1967 War: though the fedayeen’s popularity reached great heights in both Jordan and the wider Arab Middle East, Hussein continued to regard Israel as a potential partner for peace and consequently denied support for the guerillas. It took a perceived acute threat from Israel — triggered by the Battle of Karamah — for Hussein’s risk calculus to change.

Guardians of the Throne. The power of the domestic politics explanation is further diminished by the fact that, in aiding the fedayeen, the king risked alienating the Jordanian armed forces, a key coalition partner that safeguarded his government’s legitimacy and tenure. On the whole, the armed forces detested the presence of the fedayeen. This was particularly true after Karamah, as the military “deeply resented what they regarded as the fedayeen’s appropriation of their own glory.”164 When skirmishes continued to escalate between the fedayeen and the army, many soldiers and their commanding officers “found it difficult to understand why the king was hesitating to assert his authority. Nor did they find any respite from their frustration when off duty. Back in their home villages and towns, soldiers often found themselves humiliated and stripped of their weapons by Palestinian militiamen.”165 These humiliations, coupled with the fedayeen’s disruptive behavior in the cities, created an “implicit challenge to law and order[,]”

163 Lunt, Hussein of Jordan, 80; Bailey, Jordan’s Palestinian Challenge, 25; Shemesh, “The IDF Raid on Samu,” 153-55; Oren, Six Days of War, 34.
164 Ashton, King Hussein of Jordan, 139.
165 Gowers and Walker, Behind the Myth, 75.
fueled tensions with the authorities and fed resentment within the army, especially among the
native Transjordanians who formed the monarchy’s bedrock and held most key posts in the
combat units.”

Disaffection in the armed forces reached a critical point in July of 1970, when the king
dismissed Jamil and Shakir, “both of whom were extremely popular with the rank and file.” The king recalled, “In the last six
months leading up to the [September 1970] crisis, the army began to rebel. I had to spend most
of my time running to those units that had left their positions and were going to the capital, or to
some other part of Jordan, to sort out people who were attacking their families or attacking their
soldiers on leave. I think the gamble was probably the army would fracture along Palestinian-
Jordanian lines.” It soon “became apparent that, if Hussein did not act, the military would
rebel against him because they could not take any more humiliation from the fedayeen.”

The issue peaked on 7 September when “Jordanian combat units … readied to move on
guerilla positions and refugee camps in Amman in defiance of standing orders. The king was
compelled to intervene in person to bring his mutinous troops under control and was received
with open hostility. Equally worrying were indications that senior combat commanders were
considering a coup: if the Hashemite family would not protect them, they hinted darkly, then it
was time for native Transjordanians to rule themselves.” The hijackings brought the
possibility of revolt into even sharper relief. “Since the beginning of the hijack crisis,” writes Avi

166 Sayigh, Armed Struggle and Search for State, 183.
167 Jureidini and Hazen, Palestinian Movement in Politics, 55.
168 Jureidini and Hazen, Palestinian Movement in Politics, 55.
170 Shlaim, Lion of Jordan, 319.
171 Sayigh, Armed Struggle and Search for State, 260.
Shlaim, Hussein “had been subjected to mounting pressure from the army, his closest advisers, and his brothers Muhammad and Hassan to reassert his authority. The army, where the hard-liners were taking over, was on the point of mutiny and could not be restrained for much longer.” ¹⁷² Ultimately, however, the king could not balance the “double pressure” demands of the military and the fedayeen, and chose to preserve ties with the armed forces.¹⁷³

While the king was certainly concerned about retaining support among the Palestinian population, he also knew that the armed forces — not the civilian population — were the primary source of security for the monarchy. If concerns over domestic politics principally drove the king’s decisionmaking, he would have prioritized maintaining support among this key coalition member or, at the very least, he would have prioritized not undertaking policies that alienated it. Instead, Hussein backed the fedayeen at the expense of his military, risking — rather than preserving — his political survival. What is more, had the king been motivated principally by domestic political concerns, he would have terminated aid to the guerillas not only after they ran afoul of the Arab Legion and the larger Jordanian population, but also immediately after they made an attempt on his life on 1 September 1970. In sum, although domestic threats influenced Hussein’s risk assessments, the importance of the armed forces, coupled with the king’s history of enduring internal unrest without resorting to sponsorship as a corrective action, demonstrates that such considerations played a secondary role in determining his risk tolerance.

Alternative Explanation: Trust

Was Hussein’s decision to help the fedayeen influenced by trust? Collective identification was a motivating possibility, as the two sides were both Arab and Muslim, and the

¹⁷² Shlaim, Lion of Jordan, 328.
king often relied on those themes when seeking to integrate the Palestinian population into Jordanian society.\textsuperscript{174} Furthermore, the king fashioned himself a champion of Arab unity, declaring at one point, “We are Arabs first and Jordanians second.”\textsuperscript{175}

For their part, the fedayeen expected that collective identification would stop the king from constraining their activities. Ehud Yaari notes that the “strategy of ‘we shall point no weapons at an Arab breast’ proved a ready weapon in the hands of the terrorists.”\textsuperscript{176} Rhetoric of Arabism also proved a useful tool for the king’s critics: Nasser, for example, had claimed that Hussein was “ready to sell the Arab nation in the same manner as Abdullah had sold it in 1948.”\textsuperscript{177}

And yet it is clear through Hussein’s words and deeds that he was motivated neither by collective identification nor interpersonal connection. If Hussein discounted future strategic risks because he shared an ethnic or religious identity with the guerillas, he would not have repressed the fedayeen before the Karameh incident and again in September of 1970. Nor do Hussein’s policies — sponsorship bookended by repression — in any way suggest that he felt a particular, intrinsic affection for Arafat, Habash, or the other commanders; indeed, it was rancor, not rapport, which seemed to best characterize the king’s personal feelings for the guerillas and their leaders. Most importantly, because collective identification and interpersonal connections stayed constant while support wavered, it is difficult to argue convincingly that trust affected the king’s risk calculus. Rather than invoking Arab or Muslim unity, the king primarily pointed to Israeli aggression as the reasoning behind his support for the guerillas. As Dann notes, while Hussein

\textsuperscript{174} Abu-Odeh, \textit{Jordanians, Palestinians, and the Hashemite Kingdom}, 111.
\textsuperscript{175} Hussein, \textit{Uneasy Lies the Head}, 97.
\textsuperscript{176} Yaari, \textit{Strike Terror}, 246.
\textsuperscript{177} Nasser. Quoted in Kerr, \textit{The Arab Cold War}, 117.
may have been “moved” by the Arab or Palestinian cause, there “can be no doubt that such emotion was never decisive when compared to cool self-interest.”

**Alternative Explanation: Prestige**

Was Hussein’s sponsorship of the fedayeen rooted in his desire to enhance the prestige of Jordan? To be sure, throughout the Arab Cold War, Hussein feuded often with Egyptian and Syrian leaders, and the Jordanian king sought to play a leading role in the Arab world.

And yet when Hussein did in fact choose to back the fedayeen, he was not guided by a desire for his state to remain relevant or be recognized. Rather than unleashing the fedayeen against Israel as a means of being duly recognized for his power or influence, Hussein did so for the limited and practical purposes of regaining the West Bank, repelling Israeli threats, and staving off oppositional movements to his rule. Furthermore, he did so only when it became increasingly apparent that his negotiations with Israel would not return the West Bank.

Neither the king’s support of the fedayeen nor his crack-down in September of 1970 affected his state’s regional prestige or standing. Hussein had gained the trust and recognition of Nasser, his erstwhile adversary, when he proved himself willing to suffer the costs of entering the 1967 War, after which the two men became “close allies”; backing the fedayeen did little to increase Egyptian respect for Jordan. Relatedly, the Syrians did not stop hectoring the king after he lent support to the fedayeen; leaders in Damascus continued to denounce Hussein and fund their own guerilla groups as a means of imposing costs on both Israel and Jordan.

If anything, Jordanian prestige suffered as a result of sponsoring the fedayeen. While the Palestinian population in Jordan may have viewed the policy as worthy of favorable recognition,

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178 Dann, *King Hussein’s Strategy of Survival*, 27.
179 Kerr, *The Arab Cold War*, 129.
regional powers knew that the move did not highlight Jordanian strength. By contrast, Jordanian support for the fedayeen demonstrated that the monarchy in Amman needed to cede some of its own power in order to fight Israel and preserve its tenure. In other words, Hussein reaped the temporary domestic benefits of sponsoring the fedayeen, but prestige granted by external actors was not a significant motivating factor in his support of the Palestinian guerillas.

In sum, because Hussein was not motivated by gaining status recognition from regional actors or showcasing advanced military power or technology, the prestige hypothesis cannot convincingly explain why the king discounted the future risks associated with sponsoring the fedayeen.

**In-Case Variation**

King Hussein initially refused to sponsor the Palestinian fedayeen. In fact, he did everything in his power to curtail their activity: beginning in early 1965, Jordanian security forces stopped numerous fedayeen operations and arrested hundreds of Palestinian guerillas. As late as February of 1968, Hussein vowed to take “firm and forceful” action to stop the terrorists. The king implemented these policies in the absence of an immediate and acute threat from an external actor. Even after the 1967 War, Hussein continued to believe that Israel posed no such threat — he thought that Israel did not seek further conquests of Jordanian territory and that the occupation was temporary. He therefore remained averse to the risks associated with empowering the fedayeen.

After the Battle of Karameh, however, Hussein perceived the threat from Israel as immediate and acute. The battle seemed to reveal to the king that the occupation was not temporary, that Israel did not seek peace, and that Israel did in fact threaten his state’s security.
As such, he drastically altered his policies toward the fedayeen and discounted the future
strategic risks associated with backing them. This variation shows the importance of shifts in the
balance of threat in determining strategic risk acceptance.

Hussein pursued both ex ante and ex post risk management strategies in backing the
fedayeen. Principally, he sought to condition his support on their willingness to pledge to
cooperate with the government and sign contracts that limited their freedom of action; Hussein
hoped that, through these initiatives, he could manage the risks of an Israeli reprisal. By
September of 1970, however, the fedayeen’s disregard for domestic law, their recklessness in
attacking Israel, and their unwillingness to adhere to their own commitments lessened Hussein’s
belief that he could control the strategic risks of supporting the guerillas. He therefore not only
discontinued aid, but in fact initiated a crackdown that ultimately led to the permanent expulsion
of the fedayeen from Jordanian soil. Such variation shows the explanatory power of risk
management in determining a leader’s risk tolerance.

Conclusion

Hussein’s decision to back the fedayeen was not easy. Jordanian Chief of Staff Amer
Khammash compared him to “the man who swallowed a razor blade — upward and downward
movements are equally dangerous.”¹⁸⁰ Scholars may argue that Hussein had few appealing
options, and that any course of action would have involved running risks. Theoretically, he could
have continued his policy of repressing the fedayeen (which he resumed in September of 1970)
or even relinquished control of the West Bank, ceding responsibility for the attacks against Israel
launched from that territory (which he did in 1988). While these actions carried risks, they were

¹⁸⁰ Amer Khammash. Quoted in Ashton, King Hussein of Jordan, 140.
political, not strategic, and Hussein chose instead to sacrifice his state’s long-term security interests for the short-term benefits of supporting the fedayeen.

And yet it is important to recognize that the fedayeen in many ways depended on the king for a lifeline: while the military and financial aid he gifted were helpful in their struggle against Israel, the sanctuary Jordan provided ensured the groups’ survival. Hussein, of course, would come to deeply regret striking this Faustian bargain. The guerillas not only provoked severe retaliations from Israel, but they eventually attempted to dethrone and kill him. Ultimately, Hussein’s behavior shows that he was compelled to discount the future risks associated with supporting the fedayeen due to immediate and acute threats stemming from an external adversary; though he was certainly attentive to domestic political concerns, such threats played a secondary role in determining his risk tolerance. Finally, Hussein clearly believed that he had the wherewithal to control the risks posed by his empowering the guerillas. Abu-Odeh perhaps summarizes the situation best when he explains that Jordan “developed short-term concerns and intermediate goals that determined its agenda and policies.”

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Predictions Met?</th>
<th>Key Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shifts in the Balance of Threat</td>
<td>Yes</td>
<td>Imminent and credible Israeli threat after the Battle of Karameh; occupation</td>
</tr>
<tr>
<td>Risk Management</td>
<td>Yes</td>
<td>Coordination; written agreements for acceptable behavior; intelligence gathering</td>
</tr>
<tr>
<td>Domestic Politics</td>
<td>Yes (Secondary)</td>
<td>Failure to support fedayeen would result in mass uprisings or civil war</td>
</tr>
<tr>
<td>Trust</td>
<td>No</td>
<td>Repression despite shared Arab, Muslim identities; antipathy for fedayeen groups and their leaders</td>
</tr>
</tbody>
</table>

| Prestige | No | Limited goals of regaining the West Bank and countering external and domestic threats; no signaling of power or technology |
CHAPTER FIVE

Iranian Sponsorship of Hezbollah

This chapter examines Iranian support of Hezbollah during the reign of Ayatollah Ruhollah Mousavi Khomeini, beginning in 1982 and ending in 1989. During that time, the Khomeini government provided military, monetary, and logistical aid to the group. In concert with Iran, Hezbollah carried out attacks against the United States, Israel, and France, becoming one of the most lethal terrorist organizations in history. In backing Hezbollah, decisionmakers in Tehran risked retaliation from those states, as well as diplomatic and economic isolation (“revenge”). They also ran the risks that Hezbollah might use Iranian weaponry against its patron (“boomerang”) or diverge from Iranian policy preferences (“betrayal”).

The chapter begins by reviewing the creation of Hezbollah, drawing on events in both Iran and Lebanon. After chronicling Hezbollah’s activities in the 1980s, the case tests Iranian support for the group against the variables in question. Ultimately, the chapter argues that decisionmakers in Tehran discounted the future strategic risks associated with backing Hezbollah principally to counter the acute and immediate threats posed by external actors — namely Israel, the United States, France, Iraq, and Amal — to Iran’s territorial interests and perceived sphere of influence. Iran’s ability to manage those risks — through Hezbollah’s credible commitments and Tehran’s capacity to monitor the group and deny responsibility for its operations — further

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1 Because it can be difficult to disentangle the strategic and ideational logics in the Iran-Hezbollah relationship, it is worth briefly revisiting some of this dissertation’s deductive coding. If analysts investigating the partnership see that Iranian support was triggered by an external shock that imperiled Tehran’s interests — and that support continued as long as that threat was present — then it would lend credence to the shift in the balance of threat hypothesis. If Iranian leaders, however, backed Hezbollah principally to counter internal threats, then the domestic politics hypothesis gains strength and undermines the balance of threat argument. Finally, if Iran backed Hezbollah due to trust, scholars should see consistent support not only for Hezbollah, but also for other Shia groups. If, however, aid to Hezbollah fluctuated, or if Iran refused to provide comparable assistance to other Shia organizations, then the trust hypothesis is weakened. Iranian employment of risk management strategies — which occur only in the absence of trust — would also diminish the power of the trust explanation.
compelled decisionmakers to accept future strategic risks. Domestic politics and trust complemented these motivations, though proved insufficient in determining Iranian risk tolerance.

**Background**

While it is beyond the scope of this paper to investigate the intricacies of the Iranian decisionmaking process, it is important to review briefly the locus of such power. First and foremost, the supreme leader holds absolute power to make decisions, as he has the ability to declare and execute war, dismiss senior government officials, and appoint clerics and officers in both the conventional armed forces and the Islamic Revolutionary Guard Corps (IRGC; *Pasdaran*).\(^2\) The supreme leader “[f]ormally … oversees Iran’s security policy” and “exercises considerable control over the daily implementation of policy.”\(^3\) This power stems largely from his religious position: Khomeini’s *velayat-e faqih* system allowed him to have juridical powers over all Muslims and therefore “final say about foreign policy decisionmaking.”\(^4\) Khomeini was, in other words, the ultimate political and religious authority in Iran.\(^5\)

Evidence suggests that the initial decision to create and support Hezbollah was Khomeini’s. Scholars largely agree that Hezbollah was established “under the instructions of Khomeini.”\(^6\) Ali Akbar Mohtashamipour, the Iranian ambassador in Damascus from 1982 to 1985 who played an instrumental role in the group’s creation, has confirmed that Khomeini

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\(^3\) Byman et al., *Iran’s Security Policy*, xii.


\(^5\) To be sure, other state institutions, such as the presidency, IRGC, Council of Guardians, intelligence apparatus, and the *Majlis*, do have influence over foreign policy. What is more, not all sources of power are formal state institutions: informal structures, including the “different political factions of the political elite (conservative, pragmatist, and reformist)” and others who “influence discourse,” can shape decisions. Rakel, *Power, Islam, and Political Elite in Iran*, 31; Byman et al., *Iran’s Security Policy*, xii, 23; Sick, “Iran,” 83.

\(^6\) Hamzeh, *In the Path of Hezbullah*, 24.
decided to deploy members of the IRGC to Lebanon.\footnote{Lufti, “The Making of Hezbollah,” Asharq Alawsat, 18 July 2008.}

\textit{The Shia of Lebanon}

At the time of Hezbollah’s creation, Lebanon featured a confessional system that was born from the 1943 National Pact. Of the confessional groups, the Shia “remained at or near the bottom of the political and economic hierarchy.”\footnote{Wege, “Hizbollah Organization,” 152. Shiism emerged when the ascension of Ali, the Prophet’s son-in-law and fourth successor, was resisted by the Umayyads, causing the first major rift in the religion. Though Ali was able to withstand the challenge and defeat the Umayyads at the Battle of Camels in 656, he was later assassinated. The crisis over Ali’s appointment fomented what remains the most severe sectarian division in the religion: those who believed that Ali was the rightful successor split from the mainstream Sunni majority, formed the Party of Ali (Shia), and continue to regard the successors of Ali as the rightful leaders of the Islamic world. Mansfield, \textit{The Arabs}, 29-34; Goldziher, \textit{Introduction to Islamic Theology and Law}, 170-75, 192.} Concentrated mostly in the Bekaa Valley and the southern part of the country, the Shia “not only lacked representation, but the basic necessities of modern life, such as schools, hospitals, roads, and running water. In comparison with the prospering areas of the Sunnis and Christians, their standard of living was medieval.”\footnote{Hajjar, “Hizbollah Organization,” 152; Jaber, \textit{Hezbollah}, 11; Harik, \textit{Hezbollah}, 18.}


Internal divisions came to plague the group soon after Nabih Berri took control of Amal
in April of 1980. Amal’s military commander, Hussein Musawi, became frustrated with what he perceived as Berri’s soft position on Israel and the United States after the former’s 1982 invasion of Lebanon. Musawi defected and went on to form Islamic Amal, the precursor to what would become Hezbollah.

Revolution and Survival in Iran

When Khomeini was expelled by the shah in 1964 for agitating against the state, he moved to Najaf. From there, he continued to lobby against the regime in Iran until he was deported to Paris in October of 1978. Khomeini returned triumphant on 1 February 1979 to Tehran, where a wide array of oppositional forces rallied around him. On 11 February, the military stood down, ushering in the era of Khomeini’s rule in the country.

Gaining power in Iran hardly ensured Khomeini’s political survival, however, and his government faced its own series of domestic political challenges. Other, non-Islamic groups that had opposed the shah were numerous and politically relevant, and sought a share of power in the new Iran. The opposition movement coalesced around Abolhassan Bani-Sadr, who was elected president in January of 1980. A wildly popular politician, Bani-Sadr “represented the liberal, secular, Westernized tendencies in Iranian politics.” Ultimately unable to advance his policies, the president openly denounced the “very government he ostensibly headed” and allied himself with the Mujahidin, a faction that had been organizing anti-regime protests and attacks

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13 Sadr had remained in charge of Amal until his mysterious disappearance in Libya in 1978. The strange event elevated him to martyr status and galvanized the movement.
15 Wright, *In the Name of God*, 39.
16 Green, “Terrorism and Politics in Iran,” 574; Wright, *In the Name of God*, 64.
17 Green, “Terrorism and Politics in Iran,” 578; Wright, *In the Name of God*, 89.
throughout the country. Khomeini responded in June of 1981 by stripping Bani-Sadr of power and ordering state security forces to crush the demonstrations.

The violence and unrest of June 1981 were not the first such incidents. The government had become the “target of widespread, systematic and highly publicized terrorist activities”: beginning in April of 1979, assassinations claimed the lives of many state and military officials, including the army chief of staff and the chairman of the Revolutionary Council. In June of 1980, the Mujahidin, joined by other leftist groups, carried out bombings against regime personnel in an attempt to overthrow the government. The Khomeini regime was also imperiled by coups; three formal plots were uncovered between May and July of 1980.

Threats to the regime intensified during 1981 as opposition groups, many of which were violent, proliferated throughout the country. Of these, the Mujahidin was the most powerful and dangerous. The attacks by opposition groups threatened both the political and mortal survival of Khomeini’s government, as the summer of 1981 became the “bloodiest since the uprising against the shah.” On 28 June 1981, a bomb attack at the Islamic Republic Party headquarters left more than seventy people dead. On 30 August, an explosive planted by the Mujahidin at a cabinet meeting killed, among others, President Mohammad-Ali Raja’i, Prime Minister Javad Bahonar, and the chief of national police. Through its sustained attacks, the Mujahidin “came close to

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19 Wright, *In the Name of God*, 97. The government responded by executing more than forty people affiliated with the opposition movement. Green, “Terrorism and Politics in Iran,” 579.
20 Green, “Terrorism and Politics in Iran,” 576; Wright, *In the Name of God*, 69.
21 Wright, *In the Name of God*, 89.
22 Wright, *In the Name of God*, 92.
23 Wright, *In the Name of God*, 100.
destroying the structure of Khomeini’s regime.”

Threats against the regime continued through 1982. In April of that year, former Khomeini aide Sadeq Qotbzadeh, as well as one of the country’s six grand ayatollahs, were charged with plotting to kill the supreme leader.

The outbreak of war with Iraq added to the unrest and anti-regime tension in Iran. After months of trading verbal barbs — Tehran Radio described Saddam Hussein as a “puppet of Satan” and Khomeini openly called for a Shiite uprising in Iraq — armed conflict erupted on 22 September 1980 when fifty thousand Iraqi soldiers invaded Iran, ostensibly to take full possession of the Shatt al-Arab waterway. The war exacerbated the already strained domestic situation: Iran suffered a series of early military defeats, and war-time rationing reduced the availability of everyday products such as gas and meat. High rates of unemployment and inflation added further fuel to the fire, resulting in mass demonstrations and clashes between civilians and security forces. These domestic threats triggered vicious responses from the government. According to some estimates, nearly seven-thousand Iranians were formally executed from the summer of 1981 to the end of 1982, while others were killed through government-orchestrated bomb attacks and assassinations.

Hezbollah Ascendant

Khomeini’s concerns extended far beyond his own borders. In addition to the raging war with Iraq, he showed particular interest in the Levant, a section of the Middle East that includes

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24 Simpson, *Inside Iran*, 201; Green, “Terrorism and Politics in Iran,” 579. “In a single four-month period in 1981,” details Robin Wright, “the Iranian press reported that more than a thousand government officials, including mullahs, judges, political officials, Islamic Republic Party leaders and Khomeini aides, had been killed.” Wright, *In the Name of God*, 25.

25 Wright, *In the Name of God*, 105-6.


27 Wright, *In the Name of God*, 100-5, 133.

28 Green, “Terrorism and Politics in Iran,” 580; Wright, *In the Name of God*, 106.
Israel and Lebanon. These two states came into conflict on 6 June 1982, when Israeli forces under the command of Defense Minister Ariel Sharon invaded Lebanon.29 The swiftness of Israel’s victory allowed Sharon to “pursue his own dream of destroying the PLO as a political force in the region and putting in place a pliant government in Beirut that would become the second Arab state, after Egypt, to enter into a formal peace agreement with Israel.”30 The Israel Defense Forces (IDF) laid siege to Beirut for two months before the PLO agreed to withdraw, essentially giving Israel control of Lebanese territory south of the capital.31

On 12 June 1982, Khomeini sent to Damascus around one thousand Pasdaran, who, with Syria’s permission, then headed into Lebanon. One contingent of the group established itself in Zebdani, while another moved into the Bekaa Valley, which sits in the eastern part of the country. This latter group traveled to the city of Baalbek, where they “entrenched themselves in an old Lebanese army barracks, a tatty local hotel and a clinic, which was promptly renamed Hospital Khomeini.”32

Under the guidance of Mohtashamipour (known as the “godfather” of Hezbollah) and local IRGC commander Ahmad Kan’ani, the Pasdaran made contact with the various Shiite organizations in the area, including Musawi’s Islamic Amal.33 The Iranians took the lead in merging these groups under the banner of Hezbollah, a Koranic term meaning “Party of God.”34

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29 The stated reason for the invasion was the PLO’s attempted assassination of Israeli Ambassador to the United Kingdom, Shlomo Argov. But Israel possessed the larger goal of rooting out PLO forces that had been harassing its northern border. The Lebanese Civil War had loosened the central government’s grip on southern Lebanon, which in turn allowed Palestinian commandos to conduct operations with greater frequency against Israeli targets. Ehteshami and Hinnebusch, *Syria and Iran*, 147; Jaber, *Hezbollah*, 7; Norton, *Hezbollah*, 32.
Amal, it should be noted, was not included, and in fact “initially collaborated with the Israeli invasion.” The organization’s working relationship with Israel lasted beyond the initial invasion: during the subsequent occupation, Berri and the rest of the Amal leadership sought “political accommodation rather than military confrontation to the crisis.”

Israel’s plan to control Lebanon was hindered when Lebanese President Bashir Gemayel was killed in September of 1982. The assassination triggered the Sabra and Shatilla massacres, in which Phalange troops entered Palestinian refugee camps with IDF knowledge and brutally killed more than a thousand men, women, and children. The attacks prompted the deployment of a multinational force — which included 1,400 U.S. Marines — to Lebanon to “take charge of the further deteriorating situation and to organize the evacuation of Palestinian fighters to Tunisia.” But the American presence in Lebanon was not entirely pacific: in December of 1982, the U.S.S. Virginia fired on a coalition of Muslim and leftist forces that were mobilizing against the Lebanese Army. In the eyes of regional players, including Khomeini, such action indicated that “United States strategy had moved from evacuating Palestinian fighters from Lebanon to intervention in the civil war on the Christian side.”

During this time, the Pasdaran sponsored Hezbollah and abetted its growth. Members of the IRGC that were stationed in Bekaa trained the terrorists in military tactics and weaponry. Mohammad Hassan Akhtari, an Iranian known as the “operational father” of Hezbollah, has affirmed that the IRGC “supported Hezbollah in the matter of training and special

35 Ehteshami and Hinnebusch, *Syria and Iran*, 130.
37 Schiff and Ya’ari, *Israel’s Lebanon War*, 279.
instructions.” By July of 1984, the Pasdaran had established six different military training centers for Hezbollah in Lebanon, while some of the group’s members trained and found refuge inside Iran.

The Pasdaran also helped Hezbollah expand beyond the confines of the Bekaa Valley. Beginning in April of 1983, the organization moved into the Shiite suburbs of West Beirut. Once there, it harnessed the support of Mohammad Hussein Fadlallah, a Lebanese cleric and advocate of the Iranian Revolution. Fadlallah became the “major spiritual guide of the Hezbollah movement,” and his backing in Beirut helped the group attract new members and garner community support.

Iranian leaders also provided Hezbollah with tremendous financial support. Exact amounts of aid are impossible to determine, but analysts suggest that Iran has given more than $100 million a year to Hezbollah. Iranian largess was provided at the behest of Khomeini, who not only was responsible for the initial decision to send the IRGC to Lebanon, but in fact continued to “relay … ‘instructions’ to the Lebanese, initially through an Iranian communications center in the Bekka’s al-Khayyam hotel.”

Waging War

Hezbollah, at Iran’s direction, has been responsible for numerous deadly attacks against

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42 Ranstorp, Hizb’allah in Lebanon, 36; Byman, A High Price, 213.
43 Wright, In the Name of God, 119; Ranstorp, Hizb’allah in Lebanon, 37.
44 Wege, “Hizbollah Organization,” 154-55; Jaber, Hezbollah, 52-53; Byman, Deadly Connections, 83.
45 Byman, Deadly Connections, 88; Wege, “Hizbollah Organization,” 158; Ranstorp, Hizb’allah in Lebanon, 82. It is also important to note that some of this money is earmarked for goods and services for the Shiite community in Lebanon, including health care, garbage collection, and religious services. This outreach has not only allowed Hezbollah to gain community support, but in fact allowed the group to assume the de facto role of the state. See Harik, Hezbollah, 83; Taheri, The Persian Night, 157.
Western interests. The first such attack occurred on 18 April 1983, when Shiite militants tied to Hezbollah drove a van loaded with more than four hundred pounds of explosives into the American Embassy in Beirut, killing sixty-three people. On 23 October of that same year, another strike on the U.S. Marine Barracks killed 241 American soldiers, while a simultaneous bombing of the French Multinational Force barracks left nearly sixty peacekeepers dead. Western officials blamed Hezbollah and Iran for the attacks, as well as for the bombing of the U.S. Embassy in Beirut again in September of 1984 that killed twenty-three people.

Hezbollah activity was not limited to bombings. The group was also responsible for the rash of kidnappings in Lebanon in the 1980s. Hostages were taken beginning in 1982, when David Dodge, the acting president of the American University of Beirut, was abducted. The kidnapping occurred “at the behest of the Pasdaran contingent.” Over the following decade, Hezbollah took primarily U.S. and French hostages with varying justifications, including the desire to “secure the release of Iran’s and Hizballah’s prisoners, to force concessions from Western governments, to drive out foreigners from Lebanon, or more simply to demonstrate the powerlessness of the United States or other major powers.”

Iranian-backed Hezbollah also carried out attacks against Israel. In November of 1982, the group struck an Israeli intelligence center in the city of Tyre, killing more than seventy Israelis. Within two years, the “pace of attack was so intense that an Israeli soldier was dying

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47 Harik, Hezbollah, 36; Byman, Deadly Connections, 84-85; Wright, In the Name of God, 117; Wege, “Hizbollah Organization,” 158.
48 Byman, Deadly Connections, 85; Wright, In the Name of God, 120.
49 Zonis and Brumberg, Khomeini, The Islamic Republic of Iran, and the Arab World, 58; Norton, Hezbollah, 71.
50 Ranstorp, Hizb ‘allah in Lebanon, 116. See also Katzman, Warriors of Islam, 98; Harik, Hezbollah, 37.
51 Byman, Deadly Connections, 85; Byman, A High Price, 217. For more on Iran’s role in the kidnappings, see Ranstorp, Hizb ‘allah in Lebanon, 85.
52 Norton, Hezbollah, 80; Byman, A High Price, 209.
every third day.” In 1985, under duress from Hezbollah strikes, Israel announced that it would withdraw from much of Lebanon and establish a “security zone” about 10km inside the territory to “protect its northern villages from possible future infiltrations.” The Israeli withdrawal signaled an important victory for Hezbollah, which under the care of Iran had become a tremendously effective military force.

Fighting between Hezbollah and Israel, as well as between Hezbollah and the Israeli-backed South Lebanon Army, raged for years after Israel reached its security zone in the summer of 1985. Hezbollah waged consistent, low-level guerilla warfare against the Jewish State, conducting around one hundred attacks against the IDF from 1985 to 1990. Daniel Byman writes that Hezbollah became an increasingly sophisticated organization, noting, “Over time, terrorism was only a small part of its overall activities. It had specialists not only in guerilla attacks, but also artillery, engineering, and communications.”

Hezbollah also continued to battle other groups in Lebanon. Sparring occasionally in the years after the Israeli withdrawal, a vicious round of fighting between Hezbollah and Amal erupted in February of 1987. While then-Speaker of the Majlis Akbar Hashemi Rafsanjani “papered over the differences, characteristically revealing his own predilection for realpolitik by noting that the strategic interests of the Islamic Revolution demand restraint,” clashes recurred in

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53 Norton, Hezbollah, 81.  
54 Harik, Hezbollah, 40.  
55 Jaber, Hezbollah, 27; Byman, Deadly Connections, 97.  
56 Hiro, Lebanon, 130.  
57 Byman, A High Price, 228.  
58 Byman, A High Price, 225.
September in and around Beirut.\textsuperscript{59} Fighting broke out again in the autumn of 1988; months later, Hezbollah “dismounted Amal fighters from Beirut’s southern suburbs” and became the more dominant force in Lebanon.\textsuperscript{60}

**Risks**

Iran played a seminal and dominant role in arming, training, and funding Hezbollah. But this relationship has carried significant strategic risks for Tehran. First, there is the ever-present risk of boomerang or betrayal. Through its assistance, Iran has established a “strong and relatively independent terrorist group” that could potentially attack its patron or diverge from Iranian policies.\textsuperscript{61} To be sure, the organization has already shown a willingness to disregard Iranian preferences: during the hostage crises, for example, the Iranians intermittently “appeared astonished, and a bit angered, by the scope of [Hezbollah’s] demands and realized they were unacceptable.”\textsuperscript{62}

Perhaps more pressing than the risk of boomerang or betrayal has been the risk Iran faces from third-party revenge.\textsuperscript{63} Khomeini discounted the risk that Israel, France, or the United States may have attacked Iran for its role in killing their citizens and soldiers in Lebanon. Such an assault, particularly if carried out in response to the 1983 attacks, would have been devastating, as Iran would have been unlikely to regain the territory lost to Iraq in the early stages of the war. Indeed, it was principally Iraqi ineptitude, rather than Iranian resilience, which allowed Tehran to

\textsuperscript{59} Katzman, *Warriors of Islam*, 135; Norton, *Hizballah of Lebanon*, 23. The September clashes were sparked by the kidnapping of U.S. Marine Lt. Colonel William Higgins; when Amal sought to rescue him, the subsequent fighting left more than four hundred people dead.


\textsuperscript{61} Byma, *Deadly Connections*, 80.

\textsuperscript{62} Wright, *In the Name of God*, 145.

\textsuperscript{63} Augustus Norton writes that it is “generally easier to trace much of the terrorism of the 1980s … to Iran than to Hezbollah.” Norton, *Hezbollah*, 77.

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weather the attacks from Baghdad. Had the U.S. actively joined the Iraqi assault or conducted its own bombing campaign against Tehran (a reasonable concern for Iran considering American intelligence and monetary support for Baghdad, as discussed below), Iran would not likely have recovered. Even at a time when war, purges, and domestic terrorism had made death relatively commonplace, a sincere U.S. assault would have left the country and ruling regime in tatters.

Khomeini also discounted the risks of economic revenge and diplomatic isolation, which were in fact imposed upon Tehran. Byman notes that the “costs to Iran for its support of terrorism were considerable.”64 In 1984, the U.S. State Department listed Iran as a state sponsor of terrorism, which in turn has “brought a host of mandatory economic restrictions. In particular, the United States denied Iran arms — a serious loss, as the prerevolutionary regime relied almost entirely on US weapons systems and was engaged in a life-or-death struggle with the Iraqi regime from 1980 to 1988.”65 Such revenge has had other significant security implications for Iran. In addition to its inability to arm itself adequately for its war with Iraq, Iran’s “support for terrorism also led neighboring states to band together against it.”66 Tehran even “suffered some fallout in its relationship with Syria and with its neighbors because of its ties to terrorist groups such as Hizballah.”67

Iran has come to be seen as “the world’s most significant perpetrator of terrorism.”68

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64 Byman, *Deadly Connections*, 105.
65 Byman, *Deadly Connections*, 107. Iran had long been aware of the pain of such isolation — it was sanctioned after the 1979 U.S. embassy takeover — and yet Khomeini chose to discount the strategic risks anyway. See Nasr, *Shia Revival*, 132.
66 Byman, *Deadly Connections*, 114.
67 Byman, *Deadly Connections*, 105.
68 Daugherty, *House Committee on International Relations, Iran*, 35. Brad Sherman, a Member of the U.S. House Committee on Foreign Affairs, has stated, “It is often cited that Iran is the number one state sponsor of terrorism, as identified by our State Department. Yes, but they are number one by a mile. No other country comes close.” Sherman, *House Committee on International Relations, Iran*, 9.
Tehran has clearly earned the ire of the United States and other countries for its support of Hezbollah, running the risks of revenge, as well as betrayal and boomerang. The question, then, is why Khomeini was willing to discount the future strategic risks associated with sponsoring the terrorist group.

**Shifts in the Balance of Threat**

Khomeini’s decision to create and sponsor Hezbollah principally reflected his belief that such action could counter the perceived immediate and acute threat posed by external actors to Iran’s interests. Specifically, Khomeini and other state decisionmakers chose to discount the future strategic risks associated with backing the organization because the United States, Israel, and Iraq posed an imminent threat to Iranian territorial interests and sphere of influence. Amal’s policy of working with Israel further lent to Khomeini’s belief that his state’s interests were imperiled. This section reviews these shifts in the balance of threat, which compelled Khomeini to become risk acceptant.

**Regional Revisionism**

Khomeini considered the broader Middle East to be Iran’s rightful sphere of influence, a perception shaped in part by his ideology. The supreme leader genuinely believed in his religious mission, which informed how he defined his state’s interests. (Only ideological logics can account for Iran’s deep hatred of Israel, an erstwhile ally.) Moreover, Khomeini saw himself as the leader of the Muslim, rather than a Shia or Iranian, polity. He assumed a “kind of transnational authority, not only over Iran’s Shiites but Shiites everywhere; and not only over

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Shiites but all Muslims.”

And yet it is important to note that while the leadership in Iran held such beliefs andcouched its ambitions in the language of Islam — invoking the concept of “exporting the revolution” to refer to Tehran’s regional designs — its religious rhetoric served as a thin veil for more realist goals: Khomeini sought influence and power over his neighbors, and worked to revise the geopolitical realities of the Middle East. To do so, he was willing to destabilize Iran’s neighbors and replace hostile (and even neutral) regimes with those more favorable to Iranian interests. When events in the region jeopardized his power over those areas he valued, he felt such threats acutely.

This dissertation therefore argues that when Khomeini perceived that his “regional agenda” was threatened in Lebanon, he discounted the security risks of supporting Hezbollah as a means of corrective action. In addition to its large Muslim population, Khomeini valued the country for strategic reasons: because Lebanon had “long been the site for proxy wars,” he viewed the territory as a “fertile field” for Iran to “expand its influence in the region.” In other words, Lebanon was a key piece in Iran’s larger strategic puzzle. Even leaders of Hezbollah preached that an Iranian victory over Iraq “would have led to the inevitable overthrow of the secular Ba’athist regime and the institution of Islamic rule in its place. This would have paved the way for the creation of an all-encompassing Islamic state into the region, of which Lebanon

70 Bakhash, “Iran: The Crisis of Legitimacy,” 101; Saad-Ghorayeb, Hizbu’llah, 70. See also Jaber, Hezbollah, 109; Nasr, Shia Revival, 137; Hitti, “Lebanon in Iran’s Foreign Policy,” 185.
71 Ehteshami and Hinnebusch, Syria and Iran, 42-43; Montazeri. Quoted in Bakhash, “Iran’s Foreign Policy under the Islamic Republic,” 249; Hirschfeld, “The Odd Couple,” 110; Ehteshami, After Khomeini, 132.
72 See Ehteshami, After Khomeini, 132; Levitt, House Committee on International Relations, Iran, 17.
73 Ehteshami, After Khomeini, 131.
74 Harik, Hezbollah, 34; Norton, Hezbollah, 72. See also Hitti, “Lebanon in Iran’s Foreign Policy,” 190.
would have been an intrinsic part.”

In sum, ideology and realism shaped Khomeini’s regional agenda. When Khomeini explicitly remarked, “We consider Lebanon to be a part of Iran,” he did so as a result of both strategic and ideological logics. And yet in evaluating the role of a shifting threat environment, it is ultimately most important to examine whether Iranian interests were acutely and immediately threatened by an external actor, regardless of how those interests were determined. The remainder of this section discusses the events that led Iranian decisionmakers to believe that a shift in the balance of threat had occurred.

Israel 1982

The most widely cited reason that Iranian decisionmakers discounted the future strategic risks associated with creating Hezbollah is the 1982 Israeli invasion of Lebanon. As discussed in this section, Khomeini perceived the incursion as an immediate and acute threat to Iranian interests for two principal reasons. First, he believed Lebanon to be a part of Iran’s sphere of influence, and himself the rightful ruler over its denizens. The occupation of that state by Israel — a country that Khomeini detested — was inimical to Iranian preferences. Second, Khomeini believed that Iranian participation in the Arab-Israeli dispute would be a gateway to broader

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76 Khomeini. Quoted in Wright, *Sacred Rage*, 43.
77 Scholars have largely agreed that the Israeli incursion sparked the Iranian decision to back Hezbollah. Sami Hajjar writes that the “principal cause of Hizballah’s creation was the Israeli invasion of Lebanon in 1982.” Hajjar, “Hizballah,” 2. Wright notes that the Iranians began arriving in Lebanon within a week of Israel’s invasion, while Magnus Ranstorp affirms that “Israel’s invasion provided Iran with another opportunity to exert direct involvement and influence over their Shia co-religionists in Lebanon through the deployment of an Iranian contingent of Revolutionary Guard Corps to the Biqa Valley.” Wright, *In the Name of God*, 109-10; Ranstorp, *Hiz‘allah in Lebanon*, 33. Byman agrees that “Tehran seized the opportunity and deployed 1,000 Islamic Revolutionary Guard Corp (IRGC) personnel … to Lebanon’s Bekaa valley.” Byman, *Deadly Connections*, 82. Marius Deeb echoes that a principal factor regarding Iranian decisionmaking was “Israel’s invasion of June-September 1982 and its subsequent occupation of the southern half of Lebanon.” Deeb, “Militant Islamic Movements in Lebanon,” 3. See also Katzman, *Warriors of Islam*, 71; Jaber, *Hezbollah*, 20.
power in the Middle East. Iran had longed viewed Lebanon as a battleground for influence and power in the region — in many ways, the “struggle over Lebanon was part of a wider power struggle over control of the Middle East.”

For decades, the country had been fought over by French, Israeli, Syrian, and American forces; Jerrold Green notes that “Tehran was no less mesmerized by the possibilities in Lebanon than were any of the others.” Fakhr Rouhani, an Iranian official in Beirut, confirmed that Lebanon “is a platform from which different ideas have been directed to the rest of the Arab world” and that an “Islamic movement in that country will result in Islamic movements throughout the Arab world.”

Leaders of Lebanon. The Israeli incursion into Lebanon provided a shock that compelled Khomeini to sponsor Hezbollah. Israel was intolerable to Khomeini; he and “Iran’s clerical leadership … considered themselves Israel’s mortal enemies.” Israel’s efforts to install a friendly regime in Lebanon, coupled with the fact that Lebanon’s southern Shia initially welcomed the invading Israeli force, presented Khomeini with an acute threat to his state’s interests.

The Israeli invasion therefore represented the encroachment of Iran’s adversary onto a territory that Tehran viewed as part of its sphere of influence, if not its colonial subject. Iranian and Hezbollah leaders have spoken to these points. Akhtari stated explicitly that the “reason Hezbollah was established and Iran entered the field of Lebanon was Israel’s occupation of

79 Green, “Terrorism and Politics in Iran,” 596.
80 Fakhr Rouhani. Quoted in Ehteshami and Hinnebusch, *Syria and Iran*, 123.
81 Byman, *Deadly Connections*, 81.
Lebanon. When Israel occupied Lebanon, the Islamic Republic deemed it necessary to support Lebanon in facing up to the Israeli occupation. “\(^{83}\) Akhtari has further claimed that the threat was of such immediacy and importance that the Iranian leadership was willing to detract from the war effort with Iraq to fight in Lebanon. “[A]lthough we were at war with Iraq,” he stated, “Ayatollah Khomeini agreed to send delegations from the Revolutionary Guards to support the resistance. … We stood by them, helped them and supported them in this matter.”\(^{84}\) Sheikh Naiim Qassem, the Deputy Secretary General of Hezbollah, has saliently noted that Iran had, since 1979, sought to influence events in Lebanon, but the opportunity to do so “only came about when Israel invaded Lebanon. That provided the condition to realize the already present desire. With the willingness of the Islamic Republic to support the motives of this alliance, Hezbollah’s take-off occurred.”\(^{85}\)

Qassem’s statement is particularly noteworthy because it draws attention to the fact that Iranian decisionmakers sought influence in Lebanon before the 1982 Israeli invasion. How can scholars understand the decision to act in 1982 and not 1979? The answer centers on risk perception: though the Iranians may have been tempted to send a force into Lebanon to create a proxy group, the risks of doing so before 1982 were deemed unacceptable. The 1982 Israeli incursion, however, dislodged that risk aversion. To be sure, the Iranians were also taking advantage of a window of opportunity: while the Syrian government had previously denied Tehran’s request to establish a presence in Lebanon, Damascus — itself reacting to the shock of the 1982 invasion — was desperate for allies and allowed Iran to deploy the IRGC. And yet the


\(^{85}\) Naiim Qassem. Quoted in Jaber, Hezbollah, 48-49.
role of “opportunity” does not necessarily diminish the explanatory power of the shock, as the Israeli invasion of 1982 was still an event that presented Iranian decisionmakers with a shift in the threat environment. (Paul Diehl and Gary Goertz in fact argue that “[m]assive shocks are needed to upset … stability and provide windows of opportunity.”86) As such, Khomeini’s exploitation of Syrian fear — which, as discussed below, served as a risk management strategy — should not take away from the fact that, in deploying an Iranian force one week after the invasion, he was reacting to the same event.

Gateway to Power. The 1982 incursion also posed an immediate and acute threat to Iran’s broader regional interests. Iranian decisionmakers believed that one avenue to gaining power in the Middle East was through manipulating the Arab-Israeli conflict.87 Because Lebanon was the “only operational theater where the military dimension of the Arab-Israeli conflict [was] active and open to escalation,” it became of “great geostrategic value to Iran.”88 Israel’s invasion of Lebanon thus threatened Tehran’s interests — the Iranians “saw Lebanon as a front from which Israel and the USA, the main enemies of the revolutionary ayatollahs, could be damaged” — and therefore warranted corrective action.89 As Robin Wright notes, “For the mullahs, the Israeli invasion finally offered the pretext to fulfill their own agenda: penetration into the Arab world.”90

Indeed, Israel’s incursion threatened not only Iran’s sphere of influence, but also Tehran’s preferred means of projecting power in the region. Lebanon was a “force of …

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86 Diehl and Goertz, *War and Peace in International Rivalry*, 134.
90 Wright, *In the Name of God*, 110.
international importance” because it was Iran’s gateway to achieving its regional goals. Because Iranian decisionmakers believed that the fate of Lebanon was tied to the fate of the broader region, they were convinced that an Israeli incursion posed an immediate and acute threat to Iran’s interests and had to be countered.

Amal

Amal’s secular orientation and collaboration with Israel further endangered Iranian interests, compelling decisionmakers in Tehran to discount the future strategic risks associated with sponsoring Hezbollah. Leaders in Tehran had originally considered partnering with Amal, a powerful organization that, by 1983, had around thirty-thousand members. The group, however, proved untrustworthy: it was committed to secularism; refused to pledge allegiance to Khomeini; and, perhaps most saliently, was willing to accommodate Iran’s enemies. This last fact became most evident in Amal’s decision to join the National Salvation Committee, an organization that embodied the “attempt by Israel to impose a government favorable to its interests in Lebanon.” Though Iran explicitly opposed Amal’s participation in the committee (the Iranian ambassador to Lebanon personally asked Berri not to participate), the group joined anyway. Amal’s involvement in the committee — which went on to broker an arrangement that “allowed Israel’s proxy Christian militia to control a 30-mile area in South Lebanon and permitted its army to conduct patrols with the Lebanese army as far as the Awali River” —

91 Ehteshami and Hinnebusch, Syria and Iran, 120.
92 Hitti, “Lebanon in Iran’s Foreign Policy,” 186.
93 Saad-Ghorayeb, Hizbu’llah, 14.
95 Hitti, “Lebanon in Iran’s Foreign Policy,” 183.
certainly affected Khomeini’s risk calculus about creating Hezbollah as a counterweight to Amal. Indeed, Byman notes that Iran’s “active intervention initially was directed as much against the leading Shi’a movement as it was against Israel.”

Iraq

The Israeli invasion occurred against the backdrop of Iran’s ongoing war with Iraq, which itself posed a significant threat to Iranian interests and contributed to Khomeini’s willingness to sponsor Hezbollah. While it is beyond the scope of this study to detail the events of the eight-year Iran-Iraq War, a number of points are worth highlighting. First, the Iraqis gained a quick advantage over Iran, swiftly taking control of the oil-rich Khuzestan province and putting the already-vulnerable Iran further on the defensive. Though Iraqi ineptitude slowed and then stalled Baghdad’s progress, the opening of the war created a frame of loss and fear for Khomeini (decisionmakers in Tehran even employed the term “defensive jihad” in describing the war). Second, the war was extraordinarily vicious. Tens of thousands of Iranian Basij (“the mobilized”) launched waves of suicide attacks against Iraq, which in turn used chemical

96 Jaber, Hezbollah, 50; Ranstorp, Hizb ‘allah in Lebanon, 31. Numerous scholars have noted that Iran’s decisionmaking was influenced by the goal of replacing Amal. Wright, for example, notes that the “Iranian mission was to reenergize Shiite activism in a new organization that … would eventually replace Amal and ultimately assert Islamic supremacy in a state where Muslims had become the majority. The Revolutionary Guards in the Bekaa, with help from Iranian diplomats in nearby Damascus, began by creating Hezbollah cells.” Wright, In the Name of God, 118. Anoushiravan Ehteshami and Raymond Hinnebusch similarly note that, “[d]issatisfied with Amal, Iran played a direct role in the founding of the rival movement Hezbollah.” Ehteshami and Hinnebusch, Syria and Iran, 123, 148. Byman echoes that the “creation of Hizballah was meant to counter Amal’s perceived collaboration and to spread Iran’s revolution to Lebanon.” Byman, Deadly Connections, 83. See also Nasr, Shia Revival, 142; Saad-Ghorayeb, Hizb ‘llah, 14.
97 Byman, Deadly Connections, 82. So determined was the Iranian leadership to counter the threat from Amal that it not only created Hezbollah, but also sent agents to infiltrate Amal and undermine the organization from within. Ranstorp, Hizb ‘allah in Lebanon, 30.
98 Pollack, Arabs at War, 183. Iran was particularly vulnerable because many of the military’s top officers and strategists had been victims of the post-shah purge.
99 Wright, In the Name of God, 134; Pollack, Arabs at War, 193. Iran was able to make some gains and eventually took the offensive against Iraq.
weapons against the Iranians.¹⁰⁰ Third, Iran’s vulnerability and sense of immediate threat was exacerbated by the rallying of its neighbors to Iraq. Despite a declared policy of neutrality, the Arab Gulf States provided Iraq with military and financial aid, effectively enringing Iran.¹⁰¹

How did the Iran-Iraq War influence Khomeini’s decision to support a terrorist group in Lebanon? In order to understand this decision, it is first important to note that the “war with Iraq was the most important and intrusive fact in Iran’s national life.”¹⁰² Most, if not all, of Iran’s national and foreign policies were seen through the prism of Iraq. As such, Khomeini was willing to discount the future strategic risks associated with sponsoring Hezbollah if such action could somehow counter the threat posed by Baghdad.

Indeed, Khomeini used Hezbollah to impose costs on his adversary, as the group “participated as a junior partner in Iran’s bitter struggle with Iraq.”¹⁰³ When Khomeini originally decided to sponsor Hezbollah in 1982, his country was on the defensive against a significant Iraqi assault, which consequently increased his risk acceptance. Though Iranian forces managed to turn the tide of the war and take the offensive in 1983, the original loss frame and consequent need for corrective action had an impact on Iran’s decision to create and sponsor Hezbollah. Byman explains that in the early stages of the war, “individuals who would later lead Hizballah dutifully pursued Iraqi targets in Lebanon at Iran’s request. Hizballah attacked targets in Kuwait to push Kuwait out of Iraq’s embrace and then bombed Paris in 1986 to punish France for its arms supplies to Iraq.”¹⁰⁴ The group also kidnapped Iraqis.¹⁰⁵

¹⁰⁰ Nasr, Shia Revival, 132; Harik, Hezbollah, 33.
¹⁰¹ Rakel, Power, Islam, and Political Elite in Iran, 158.
¹⁰² Simpson, Inside Iran, 77.
¹⁰³ Byman, A High Price, 212.
¹⁰⁴ Byman, A High Price, 214.
Moreover, Khomeini believed he could use Hezbollah to break the crippling isolation his state was suffering during the war. The outbreak of hostilities with Iraq rallied the Arab states against Iran, threatening Khomeini’s regional ambitions. Anoushiravan Ehteshami and Raymond Hinnebusch explain that Iran “saw Lebanon as the most promising prospect for spreading the Islamic revolution to the Arab world, allowing it to leap the wall of containment set up by Iraq and the Gulf Arab states.”

The supreme leader believed that establishing a presence in Lebanon through Hezbollah could help Tehran “break out of the narrow geopolitical confines of its war with Iraq and reach a wider constituency in Arab society.”

**Western States**

Finally, Khomeini discounted the future strategic risks associated with sponsoring Hezbollah because he perceived Western states as posing an immediate and acute threat to Iran’s interests. Foremost among Iran’s Western adversaries in the region was the United States. The U.S., according to Khomeini, was Iran’s greatest enemy and the “reason for all … catastrophes and the source of all malice.”

Washington played the “starring role for the enemy of Islam,” earning the sobriquet “Great Satan” from Khomeini. In a 1979 speech, the supreme leader “vowed to fight the Great Satan in every corner of the globe.” Given this animosity, it is easy to understand why Khomeini perceived an American presence in Lebanon as threatening to his state’s interests. Iranian leaders viewed the deployment of the multinational force as proof of

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“American designs in the region,” particularly since the force appeared allied with Gemayel’s government, which Tehran considered an adversary.\footnote{Wright, \textit{In the Name of God}, 118; Ranstorp, \textit{Hizb’allah in Lebanon}, 116; Norton, “Hizballah and the Israeli Withdrawal,” 23.}

Maintaining an “implacable opposition to U.S. policies in Israel and Lebanon,” Iranian decisionmakers sponsored Hezbollah and directed the group to impose costs on Western states.\footnote{Ehteshami and Hinnebusch, \textit{Syria and Iran}, 154; Jaber, \textit{Hezbollah}, 80.} Violence against the U.S. became a central mission of the IRGC and Hezbollah, who together carried out kidnappings and targeted American and French facilities in Lebanon.\footnote{Katzman, \textit{Warriors of Islam}, 96; Norton, “Hizballah and the Israeli Withdrawal,” 25; Ranstorp, \textit{Hizb’allah in Lebanon}, 119.} Kenneth Katzman goes so far as to note that the IRGC’s “Lebanon contingent was … a base from which the Guard implemented its militant anti-American ideology.”\footnote{Katzman, \textit{Warriors of Islam}, 97.} The objective of this violence was to “free Lebanon from the manipulation and chicanery of the malevolent outside powers in order to achieve ‘the final departure of America, France, and their allies from Lebanon and the termination of the influence of any imperialist power in the country.’”\footnote{Norton, \textit{Hezbollah}, 38.}

The Iranians felt the Western threat even more acutely because of American and French assistance to Iraq. During the war, the U.S. provided Iraq with “intelligence, financial assistance, and other forms of aid to help Baghdad triumph. … In addition, Iraq received $2 billion as a trade credit.”\footnote{Byman, \textit{Deadly Connections}, 105-6.} Other American actions, if not directly aimed at aiding Iraq, damaged Iran’s ability to wage war. Operation Staunch, launched by President Ronald Reagan in 1983, “made many crucial weapons either beyond reach or too expensive. By 1988, Iraq had a five-to-one advantage in tanks, a nine-to-one edge in heavy artillery, and a six-to-one advantage in
Similarly, France supplied Iraq with “Super-Etendard aircraft equipped with Exocet missiles, which Iran viewed as the main reason for the survival of the Ba’athist regime and the prolongation of the war. Between 1977 and 1985, France sold more than $11.8 billion of high-technology weaponry to Iraq, including 113 Mirage F1 fighter aircrafts and three quarters of French total exports of Exocet missiles.”

Iran’s decision to sponsor Hezbollah was tied to these threats. Before Hezbollah’s attacks against French and American targets, leaders in Tehran “warned that the provision of armaments to Iran’s enemies would provoke retaliatory punishment.” Khomeini believed that by supporting Hezbollah — which could impose costs on Iran’s enemies through bombings and kidnappings — he could counter the threats posed by these Western powers.

**Risk Management**

Khomeini was further compelled to discount the future strategic risks associated with backing Hezbollah because he believed he could control those risks. This section argues that Hezbollah’s credible commitments, coupled with Iran’s perceived capacity to monitor the group and deny responsibility for its operations, increased the risk acceptance of decisionmakers in Tehran.

*Ex Ante Risk Management*

Hezbollah’s commitment to stable policy preferences contributed to Khomeini’s belief that he could manage future risks. Contra Amal, Hezbollah’s leaders undertook costly signaling

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117 Wright, *In the Name of God*, 28; Byman, *Deadly Connections*, 106.
by publicly pledging their fealty to Iran and the supreme leader.\textsuperscript{120} Hezbollah’s Sheikh Amin, for example, stated, “We don’t have an authoritative leadership in Lebanon. Our leadership is Khomeini’s.”\textsuperscript{121} Musawi similarly “described Iran’s relationship with these groups as that of ‘a mother to a son. We are her children.’”\textsuperscript{122} Lebanese clerics associated with Hezbollah publicly “profess complete allegiance to Iran’s spiritual leader … and consider their organization to be under his guidance.”\textsuperscript{123} Such declarations of loyalty to Khomeini and Iran — which made the group’s commitments appear more credible — were also visible in Hezbollah’s first manifesto.\textsuperscript{124} In the document, which was published on 16 February 1985, the group “pledged its absolute loyalty to Iran’s Supreme Leader, Ayatollah Khomeini.”\textsuperscript{125} What is more, the manifesto demanded that Muslims “abide by the orders of the sole wise and just command represented by the supreme jurisconsult, who is presently incarnate in the imam Ayatollah Khomeini.”\textsuperscript{126}

Hezbollah also demonstrated an early and credible willingness to align its policy aims with Iran’s. The organization rejected secularism and instead maintained a “total identification” with the Iranian goal of creating a dominant, religious polity in the region; its “declaratory aim” of establishing an Islamic state in Lebanon was to be a stepping stone toward creating a wider

\textsuperscript{120} Ranstorp, \textit{Hizb’allah in Lebanon}, 48. Byman notes that the group “accepted Iran’s supreme leader Rouhollah Mousavi Khomeini as the organization’s guide, parroting Iran’s rhetoric of jihad against foreigners and help for the oppressed.” Byman, \textit{A High Price}, 212.

\textsuperscript{121} Sheikh Amin. Quoted in Ranstorp, \textit{Hizb’allah in Lebanon}, 42.

\textsuperscript{122} Musawi. Quoted in Wright, \textit{Sacred Rage}, 83. Sheikh Fadlallah has described Lebanon as “a lung through which Iran breathes.” Jaber, \textit{Hezbollah}, 64; Ranstorp, \textit{Hizb’allah in Lebanon}, 48. See also Deeb, “Militant Islamic Movements in Lebanon,” 15; Saad-Ghorayeb, \textit{Hizbu’llah}, 70.

\textsuperscript{123} Harik, \textit{Hezbollah}, 16. Nassif Hitti notes that “[t]here is hardly a day that goes by [in Lebanon] without a statement or a political sermon being made by a party leader on current developments, or a demonstration. A common feature of these activities, usually attended by Iranian diplomats, is the praising of both Iran’s Islamic model and its government policy.” Hitti, “Lebanon in Iran’s Foreign Policy,” 180. See also Harik, \textit{Hezbollah}, 55.


\textsuperscript{125} Byman, \textit{Deadly Connections}, 90.

\textsuperscript{126} Hamzeh, “Islamism in Lebanon,” September 1997. See also Jaber, \textit{Hezbollah}, 54-55.
Musawi confirmed such thinking when he stated that the “Islamic revolution will march to liberate Palestine and Jerusalem, and the Islamic state will then spread its authority over the region of which Lebanon is only a part.”\textsuperscript{128}

Moreover, Hezbollah committed credibly to waging war on Iran’s adversaries. In its foundational manifesto, the group “strongly condemned America and Israel as well as noting that Lebanese Christians must be ‘pummeled into submission.’”\textsuperscript{129} Akhtari has explained that both Iran and Hezbollah “regard the United States as an enemy of Islam and Muslims. We regard Israel as a cancer in the body of the region and that the policy of confrontation and resistance is fundamental. As for the modes of implementation, Hezbollah may have its ways and means and different forms of expression. ... As far as fundamentals, roots, and objectives are concerned, there are no differences between us.”\textsuperscript{130}

One additional element of ex ante risk management is noteworthy. Before the June 1982 deployment of IRGC troops to Zebdani and the Bekaa Valley, Iranian decisionmakers had considered sending a force to Lebanon in response to ongoing Israeli raids. As stated above, Syria refused to sanction the policy, effectively diminishing Iran’s perceived ability to control strategic risks. In the wake of Israel’s June 1982 invasion, however, the Syrian government granted Iran permission to send a force into Lebanon. Securing this consent helped mitigate strategic risks — it lessened the probability of revenge from Damascus, and helped Tehran maintain oversight of Hezbollah (discussed in greater detail below) — ultimately increasing the

\textsuperscript{128} Musawi. Quoted in Wright, \textit{Sacred Rage}, 83.
\textsuperscript{129} Byman, \textit{Deadly Connections}, 90.
risk tolerance of Iranian leaders.

Ex Post Risk Management

Khomeini’s belief that he could manage future strategic risks by remaining directly involved in the group’s affairs further increased his risk tolerance. Demonstrating this ex post risk management strategy, Khomeini deployed many diplomatic and religious officials to monitor the group’s activity, restraining and directing its members where necessary. Iranian officials were on-site to “midwife the birth of Hizballah” and “Iranian diplomats and paramilitary officials held senior positions in Hizballah’s governing organization, particularly in its early years.”131 In addition to overseeing recruitment and training, Iran endeavored to control decisionmaking and operations in the organization; it sent two permanent representatives to the Majlis al-Shura, the key decisionmaking body within Hezbollah, and has “tried to influence the choice of leadership in Hizballah, seeking more obedient officials.”132 Moreover, Khomeini’s leadership position was more than symbolic: he sat atop the Hezbollah decisionmaking process and settled disputes when they arose within the group.133

Khomeini relied heavily upon his ambassadors and local representatives to mitigate risks. Byman writes that Ambassador Mohtashamipour “helped supervise attacks such as the bombing of the US and French multinational forces contingents, the bombing of the US Embassy in Beirut, and Embassy annex, and otherwise exerted strong influence. In the 1980s, Iran’s representatives in Syria and Lebanon, as well as the IRGC forces working directly with

131 Byman, A High Price, 212. So dedicated was Iran to having a hand in the group’s operations that in 1982 members of the IRGC even helped pen Hezbollah’s original charter and constitution. Ranstorp, Hizb’allah in Lebanon, 35.
132 Byman, Deadly Connections, 93; Rajaee, “Unraveling the Iranian Connection,” 28; Nasr, Shia Revival, 115. See also Jaber, Hezbollah, 110-11.
133 Ranstorp, Hizb’allah in Lebanon, 41. See also Byman, Deadly Connections, 89.
Hizballah, helped oversee Hizballah as it took Western hostages and provided it with intelligence.\(^{134}\) Mohsen Rafiqdoost, a confidant of Khomeini, also stayed on the ground in Lebanon after the initial deployment to monitor both Hezbollah operatives and the IRGC members who were training them.\(^{135}\) Ayatollah Hussein Ali Montazeri also kept a watchful eye for Khomeini; the heir-apparent to the supreme leader served as the supervisor of the Office of Islamic Liberation Movements, which allowed him to direct Hezbollah’s leadership.\(^{136}\)

Religion was a particularly useful tool in controlling Hezbollah and, consequently, mitigating the perceived strategic risks associated with supporting the group. The IRGC members initially deployed to Lebanon “included senior clergy who intensively engaged in religious indoctrination into the religio-political teachings of Ayatollah Khomeini to Hizb’allah and Islamic Amal cadres.”\(^{137}\) The Iranians used such dogma to attract and control members.\(^{138}\) Moreover, Iranian decisionmakers ordered that propaganda be broadcast on local television and radio stations; posters of Khomeini were also hung ubiquitously throughout Baalbek and West Beirut.\(^{139}\) These measures were part of a larger strategy of keeping Hezbollah and the communities in which the organization was headquartered under Iranian control. By maintaining control over Hezbollah, Iranian decisionmakers could ensure that the group did not take actions that would imperil Iranian interests, thereby mitigating strategic risk.

Iranian decisionmakers believed that they could further control the risks of revenge by maintaining deniability for Hezbollah’s actions. To implement this risk-management strategy,

\(^{134}\) Byman, *Deadly Connections*, 87, 89; Rajaee, “Unraveling the Iranian Connection,” 28.
\(^{136}\) Ranstorp, *Hizb’allah in Lebanon*, 80. See also Wege, “Hizbollah Organization,” 156.
\(^{137}\) Ranstorp, *Hizb’allah in Lebanon*, 34.
\(^{138}\) Wright, *In the Name of God*, 118; Ranstorp, *Hizb’allah in Lebanon*, 40-41, 46.
\(^{139}\) Wright, *In the Name of God*, 114.
IRGC members who trained and armed Hezbollah operatives did not participate in the battles with Israel.\textsuperscript{140} Indeed, Iranian fighters in Lebanon “worked under the banner of the Lebanese national resistance and did not claim credit for any of the new, daring attacks that had started to make an impact.”\textsuperscript{141} One founding IRGC member stated pointedly, “I have no knowledge of any of them [IRGC] taking part in direct combat.”\textsuperscript{142} Iranian leaders believed that their ability to have non-Iranians carry out such attacks could mitigate the risk of revenge, which in turn increased their risk tolerance.\textsuperscript{143}

\textbf{Alternative Explanation: Domestic Politics}

Domestic politics played a limited role in compelling Iranian decisionmakers to discount the future strategic risks associated with sponsoring Hezbollah. This section first overviews perceived threats posed to the Khomeini government, and then argues that, while salient, these dangers played a lesser role than shifts in the balance of threat and risk management in prompting future risk discounting.

The aforementioned domestic unrest and violence in Iran was an immediate threat to Khomeini and his government: some estimates suggest that two thousand “government leaders and religious supporters” were killed during the period of turmoil.\textsuperscript{144} Because his rule was based on the doctrine of \textit{velayat-e faqih} and his coalition was held together by religious fundamentalism, Khomeini relied on a potent combination of repression and Islamic symbolism

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\textsuperscript{140} Ranstorp, \textit{Hizb'allah in Lebanon}, 34. \\
\textsuperscript{141} Jaber, \textit{Hezbollah}, 51. \\
\textsuperscript{143} Jaber, \textit{Hezbollah}, 118; Hamzeh, \textit{In the Path of Hizbullah}, 86. \\
\textsuperscript{144} Green, “Terrorism and Politics in Iran,” 580. \\
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to stay in power during the “period of survival [1979-1982].”\textsuperscript{145} He imbued the state with a decidedly Islamic character, proclaiming it the Islamic Republic of Iran and formulating a constitution that adhered to Shia doctrine. Khomeini depended heavily on messianic imagery: he “assumed the title imam … conjuring up images of Ali and his eleven descendants,” and, once in power, went on to take the “loftier” title of \textit{Na’eb-e Imam}, meaning “deputy to the twelfth imam.”\textsuperscript{146}

Religion became the main vehicle through which the regime sought to exercise control over the population.\textsuperscript{147} A central component of this strategy was the idea of exporting the revolution. On 21 March 1980, Khomeini famously declared, “We must strive to export our Revolution through the world, and must abandon all idea of not doing so, for not only does Islam refuse to recognize any difference between Muslim countries, it is the champion of all oppressed people.”\textsuperscript{148} Khomeini in many ways staked the legitimacy of his government on this principle and consequently ordered the IRGC to “support liberation movements and spread Iran’s Islamic Revolution throughout the world.”\textsuperscript{149}

Again, Khomeini used these religious themes in the service of empowering his regime. Ehteshami summarizes that in the “immediate aftermath of the revolution … foreign policy was defined largely by the requirement of the internal consolidation of power. Talk of the export of the revolution … was as much directed towards the ideological mobilization of the people behind

\textsuperscript{145} Wright, \textit{In the Name of God}, 24; Bakhash, “Iran: The Crisis of Legitimacy,” 100. See also Keddie, \textit{Modern Iran}, 247; Taheri, \textit{The Persian Night}, 43; Nasr, \textit{Shia Revival}, 136.

\textsuperscript{146} Nasr, \textit{Shia Revival}, 130-31.

\textsuperscript{147} Vali Nasr writes that the government “relied for its ability to govern on the religious enthusiasm and economic frustrations of the poor.” Nasr, \textit{Shia Revival}, 134.


\textsuperscript{149} Khomeini. Quoted in O’Ballance, \textit{Islamic Fundamentalist Terrorism}, 42.
the regime as it was intended to serve as foreign policy.” Indeed, many members of the regime linked political survival with being able to export the revolution. Ayatollah Montazeri, for example, has stated that it is “natural that if the revolution cannot export its universal message … it will stagnate at home and so eventually be destroyed.”

This thinking colored nearly an entire decade of Iranian policymaking: as internal threats intensified, Iranian decisionmakers felt increasingly compelled to advertise their export of the revolution to domestic audiences. During times of unrest, Iran “devoted ever-increasing resources to exporting the Islamic revolution and to protecting its own gains at home.” In other words, foreign policy — and more specifically the export of the revolution — was inextricably tied to the ability of the regime to survive in power.

The Iranian leadership thus saw supporting Hezbollah as advantageous to its standing at home. By landing a force of the IRGC in Lebanon and building up a radical Shia terrorist group, the Iranian government was fulfilling its pledge to export the revolution, which in turn could help secure its legitimacy and tenure. Decisionmakers in Iran believed that the “only way to protect the Islamic republic from … enemies was through exporting the revolution’s ideas and models and disseminating them throughout the region. The two ideal locations to begin this project were: Iraq and Lebanon.”

Iranian support for Hezbollah was made available for public consumption. Hoping to reap domestic rewards for sponsoring Hezbollah, the leadership in Tehran “boasted” on 14 June

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150 Ehteshami, After Khomeini, 130.
151 Montazeri. Quoted in Jaber, Hezbollah, 110.
152 Green, “Terrorism and Politics in Iran,” 585. See also Wright, In the Name of God, 25; Byman, Deadly Connections, 92; Ranstorp, Hizb’allah in Lebanon, 49; Rajaee, “Unraveling the Iranian Connection,” 24.
1982 that it had sent Iranian fighters to “join the Lebanese and Palestinian counteroffensive.”\textsuperscript{154} Government officials ensured that the “coverage of activities of radical Islamic groups in the Arab world … occup[ied] a disproportional place in the Iranian mass media.”\textsuperscript{155} Moreover, because Khomeini had control over which clerics would lead Friday prayers, he could be assured that such information was being disseminated to the populace.\textsuperscript{156}

Concerns over domestic politics clearly influenced Khomeini’s decisionmaking. And yet the timing of his future risk discounting enables analysts to see that these internal factors played a limited role in determining Khomeini’s risk tolerance. Indeed, Khomeini encountered significant domestic threats long before choosing to sponsor Hezbollah: assassinations of key government officials began in April of 1979; the opposition coalesced around Bani-Sadr in January of 1980; and uprisings and planned coups dominated the domestic political landscape over the following eighteen months. Though Khomeini employed religious rhetoric and repression to address domestic political concerns, he did not sponsor Hezbollah until Israel invaded Lebanon in June of 1982. Backing the group certainly was useful in reifying his position at home, but an acute and immediate external threat was necessary to compel him to discount the future strategic risks of such action. Analysts must not confuse the benefits of a policy with its motivations; while relevant, concerns over domestic politics do not play a primary role in explaining Khomeini’s future risk acceptance.

**Alternative Explanation: Trust**

What role did trust play in determining Khomeini’s risk tolerance? This section argues

\textsuperscript{154} Wright, “The War and the Spread of Islamic Fundamentalism,” 112.  
\textsuperscript{155} Hirschfeld, “The Odd Couple,” 109.  
\textsuperscript{156} Ehteshami, After Khomeini, 24.
that while collective identification — specifically Shia religious identity — was important to Iranian decisionmakers, it was principally used as a tool for mitigating risks, legitimating territorial ambitions, and reifying the regime’s domestic standing, rather than a sufficient cause for future risk discounting. It further argues that Khomeini’s deployment of IRGC members to Lebanon to monitor and oversee Hezbollah evinced a risk management strategy that was employed in the absence of trust.

It would be foolish to downplay the role that collective identification played in shaping the Iran-Hezbollah relationship; the deep religious ties and the prominence of Shia imagery cannot be overlooked. As aforementioned, Khomeini relied on both strategic and ideational logics in defining his state’s interests and evaluating the threat environment. And yet such factors do not necessarily signify that trust compelled Khomeini and other Iranian decisionmakers to discount the future strategic risks associated with sponsoring Hezbollah. While ideology informed Khomeini’s outlook and lent to the partnership with Hezbollah, it is most appropriate to view collective identification as a tool and legitimation for Iranian policy rather than a principal reason Iranian decisionmakers came to pursue risky policies.

The export of the revolution was a central component of Iranian policymaking. To be sure, decisionmakers in Tehran sincerely “saw their revolution as a model and catalyst for Islamic revolutions throughout the region and sought, at various times, to advance such revolutions by example, word, material support, and action.”¹⁵⁷ Scholars have rightly linked the export of the revolution to Hezbollah’s creation and have suggested that Iranian decisionmakers were willing to sponsor Hezbollah because the group was a Shia organization struggling against

¹⁵⁷ Bakhash, “Iran’s Foreign Policy under the Islamic Republic,” 248-49.
oppression and subjugation. Such compelling arguments often draw on the fact that Iran from 1979 to 1982 sponsored numerous Shiite movements in the region.

Given these facts, how can analysts reason that trust cannot fully explain Khomeini’s decision to discount the future risks associated with aiding Hezbollah? First, it is important to reiterate that the export of the revolution was a means used to reify the regime’s position at home and justify its claims abroad. Moreover, scholars cannot give too much credence to the government’s proclamations of its religious mission. Though Khomeini and other decisionmakers in Tehran employed the language of religion and identity, their actions often demonstrated a willingness to sacrifice ideological goals for practical concerns. For example, in the early years of the republic, Iran showed “undisguised hostility towards the conservative Persian Gulf states, Iraq and the Arab countries,” and yet “went out of its way to appease other (politically radical and ideologically secular) Arab states.”

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158 Byman notes that Iran “initially supported Hizballah to spread its Islamic revolution.” Byman, Deadly Connections, 80. Judith Harik writes, “It is clear that the Islamic Republic’s … sponsorship of Hezbollah is an integral part of the Khomeini policy to export the Islamic Revolution.” Harik, Hezbollah, 199. For his part, Yoram Schweitzer writes that Hezbollah was “formed in 1982 in Lebanon under the sponsorship of Iran’s Revolutionary Guard Corps, who arrived in Lebanon as vanguard of Khomeini’s Islamic revolution. Iran primed Hizballah to disseminate the ideas of Islamic revolution in Lebanon with the ultimate aim of establishing a fundamentalist Islamic regime in that country.” Schweitzer, “Hizballah,” 9 January 2002. Katzman has noted that the “primary example of the Guard’s export of the revolution is its presence in Lebanon since 1982.” Katzman, Warriors of Islam, 96. Norton also has noted that the “creation of Hizballah represented the realization of the revolutionary state’s zealous campaign to spread the message of the self-styled ‘Islamic revolution.’” Norton, Hizballah of Lebanon, 10.

159 Roy, The Failure of Political Islam, 191. Byman also stresses that Iran’s “favored proxies were fellow Shiite Muslims, particularly in areas where Iran had historic ties. Tehran aided Shi’aa revolutionary movements in Iraq, Bahrain, Saudi Arabia, and elsewhere. Lebanon, with its large Shiite population and longstanding ties to Iran’s religious leadership, became a cornerstone of this effort.” Byman, Deadly Connections, 91. See also Rabinovich, “The Impact on the Arab World,” 104.

160 Ehteshami writes that Islam was used by the government as an “infrastructural element of foreign policy.” Ehteshami, After Khomeini, 144. See also Zonis and Brumberg, Khomeini, The Islamic Republic of Iran, and the Arab World, 31.

161 Ehteshami, After Khomeini, 130. She also notes, “In the immediate aftermath of the revolution … foreign policy was defined largely by the requirement of the internal consolidation of power. Talk of the export of the revolution … was as much directed towards the ideological mobilization of the people behind the regime as it was intended to serve as foreign policy.” Ehteshami, After Khomeini, 130.
illuminative: the two countries had conflicting identities (Syria had an Arab, secular Ba’ath government, while Iran was characterized by its Persian, Islamic regime), but remained committed to their partnership for pragmatic considerations.\textsuperscript{162} When Tehran’s “specific ideological and political goals” led to friction with Syrian authorities, the Iranians “had no difficulty in restraining themselves for the purpose of promoting friendly relations with Damascus.”\textsuperscript{163} Leaders in Tehran have also extended support to ideological rivals, including Sunnis and Marxists.\textsuperscript{164} The willingness of Iranian decisionmakers to work with groups whose identity is opposed to Tehran’s demonstrates that collective identification — or trust more generally — does not uniformly drive its foreign policy decisions.

In Lebanon, Iran employed the language of religion — including the export of the revolution — to mobilize and control Hezbollah operatives and community members. But this does not necessarily mean that decisionmakers in Tehran discounted the future strategic risks associated with sponsoring a terrorist group because of collective identification. Indeed, their unwillingness to support Amal evinced the very idea that Shia identity was not sufficient to gain the trust of Khomeini’s government.

Moreover, Khomeini’s deployment of IRGC members to monitor and oversee Hezbollah revealed an absence of trust — either by collective identification or interpersonal connection — even in spite of common social ties. The presence and integral involvement of men like Mohtashamipour, Kan’ani, Akhtari, and Rafiqdoost underscore the fact that Iranian

\textsuperscript{162} Hirschfeld, “The Odd Couple,” 105; Zonis and Brumberg, Khomeini, The Islamic Republic of Iran, and the Arab World, 36.
\textsuperscript{163} Hirschfeld, “The Odd Couple,” 115.
\textsuperscript{164} Taheri, The Persian Night, 99. Representative Sherman echoed this view when he stated that Iranian leaders are willing to “fund, harbor, train, equip, and otherwise assist, it seems, almost any terrorist, Sunni or Shiite, as long as that terrorist is striking at enemies in a way which they believe furthers their national interests.” Sherman, House Committee on International Relations, Iran, 10.
decisionmakers never entirely trusted their proxy, and so sought to manage the risks associated with backing Hezbollah.

Sponsoring Hezbollah may have been a “matter of both conviction and calculation by the Iranian political elite,” but immediate, realist concerns outweighed factors of trust. Ideology may have shaped how Khomeini defined his state’s interests, but that does not mean he pursued those interests in accordance with ideological principles. While he may have considered Hezbollah worthy of support by dint of the group’s Shiism, collective identification was not sufficient (again, as demonstrated by Iran’s unwillingness to support Amal) for Iranian sponsorship. An external threat — specifically from Israel and the West — was necessary to establish a force that could counter the dangers to Iranian influence. What is more, the supreme leader relied on risk management strategies that are only employed in the absence of trust. Even Olivier Roy, who writes that Iran supported many Shiite movements, stresses that Iran created Hezbollah only after other groups refused its demands to radicalize and to align with Iranian policy preferences. Ehteshami saliently contends that “Tehran’s regional policy reflected a complex outlook and the application of a set of principles designed to satisfy the republic’s more immediate ends rather than the adaptation of a unitary yardstick for displaying the country’s new revolutionary Islamic attitudes.”

Alternative Explanation: Prestige

Did Khomeini discount the future strategic risks associated with backing Hezbollah because he sought prestige for his state? To be sure, Iran has reaped such rewards for its

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sponsorship of the group: Byman explicitly notes that Iran “gained prestige from supporting Hizballah” as the “movement’s increasingly successful resistance to Israel raised its stature in the Muslim and Arab world, which in turn reflected well on Tehran.”

And yet it is important to separate the results of Iranian policy from their causes. Iran’s leaders did not seek recognition of latent power; when Khomeini aimed to revise the geopolitical realities of the region, he sought control over — rather than recognition or respect from — his neighbors. His decision to hide Iranian involvement in Hezbollah’s activities lends further credence to the idea that he did not seek to use support for the group as a means of garnering recognition from regional actors.

Sponsoring Hezbollah was principally a means for Iran to counter the immediate threats posed to Iran’s geopolitical interests. Participating in the Arab-Israeli conflict, for example, was valuable not merely for the prestige it bestowed upon Iran, but rather because it allowed Iran to “affect … wider Middle East conflicts and politics” in pursuit of its regional aims. In other words, a byproduct of Iran’s decision to back Hezbollah may have been increased regional status, but immediate threats trumped such aspirations of prestige.

**Pivoting Policy**

The end of the Iran-Iraq War is the most fitting place to start in marking a change, however slight, in Iranian policy toward Hezbollah. After years of resisting a ceasefire, Khomeini accepted United Nations Security Council Resolution 598 on 18 July 1988. The war’s conclusion “seemed to erase many of the old imperatives of Iranian foreign policy,” allowing

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168 Byman, *Deadly Connections*, 94.
169 Byman hints at this interpretation: “Prestige also drove Iran, as the regime sought to demonstrate its revolutionary bona fides at home and abroad.” Byman, *Deadly Connections*, 91.
Tehran to seek a rapprochement with other Arab states in the region.\textsuperscript{171}

As part of this process, Iranian leaders believed that it was necessary to adjust their policy toward Lebanon, including recalibrating Tehran’s relationship with Hezbollah.\textsuperscript{172} Moreover, the end of the war with Iraq coincided with the clashes between Amal and Hezbollah, which also affected Iran’s risk calculus. Fearing the loss of Syria — which backed Amal — as an ally, Iran agreed to reduce and restrict its sponsorship of Hezbollah.\textsuperscript{173}

The downgrading of support for Hezbollah was aimed not only at regional harmony, but also at re-engagement with the West. Western-led isolation of Iran had hurt the state, and decisionmakers in Tehran were no longer willing to accept the risks of such revenge.\textsuperscript{174} Notably, by the time Iran reduced support for Hezbollah, the U.S. and France no longer posed an immediate and acute threat to Iranian interests in Lebanon. Israel, on the other hand, remained an occupying force, compelling Iran to maintain a certain level of support for the group, which continued to do battle with the Jewish State.

In sum, these events — the ending of the war with Iraq, the Amal-Hezbollah clashes, and a desired rapprochement with regional actors and the West — lessened both the perception that

\textsuperscript{171} Ehteshami and Hinnebusch, \textit{Syria and Iran}, 44; Ehteshami, \textit{After Khomeini}, 138, 145. By the end of September of 1988, Iranian officials had “upgraded … diplomatic relations with both Kuwait and Bahrain and had held extensive secret discussions with Saudi officials about improving bilateral relations and other regional issues. A month later, Iran normalized relations with ‘Little Satan’ Britain, and had accepted equal OPEC production and export quotas with Iraq.” Ehteshami, \textit{After Khomeini}, 138. See also Wright, \textit{In the Name of God}, 29.

\textsuperscript{172} Norton notes that at the end of the 1980s, Iran’s “support for Hizballah wavered, especially in terms of its use of violence.” Norton, \textit{Hizballah of Lebanon}, 18. Byman echoes that Iran “distanced itself slightly from Hizballah during the Second Republic, seeing it as an important and useful protégé, but no longer offering it exceptional levels of access and support.” Byman, \textit{Deadly Connections}, 100.

\textsuperscript{173} Jaber, \textit{Hizballah}, 35; Norton, \textit{Hizballah}, 44; Ehteshami and Hinnebusch, \textit{Syria and Iran}, 123.

\textsuperscript{174} Schweitzer, “Hizballah,” 9 January 2002. Byman explains that the “cumulative effect of sanctions and isolation — and, more importantly, the risk that additional attacks would lead to increased pressure — led Iran to reduce its direct involvement in terrorism. Fearing that this growing pressure would jeopardize his government’s economic program and isolate his regime, Rafsanjani drew back.” Byman, \textit{Deadly Connections}, 108. See also Ehteshami, \textit{After Khomeini}, 137; Keddie, \textit{Modern Iran}, 259.
Iranian interests were imperiled and the value of sponsoring Hezbollah as a corrective action. Signaling a move away from supporting Hezbollah, Rafsanjani, who became president in 1989, “declared his intention to shift Iran’s orientation in Lebanon to state-to-state relations.”

Decisionmakers in Iran subsequently imposed restraints on Hezbollah and reduced support for the group. Rafsanjani pursued additional pragmatic policies: he secured the release of American and French hostages who had been held by Hezbollah, pressured the group to “work within the Lebanese political system,” and helped broker the Taif accords that ended Lebanon’s civil war. Iran also renewed relations with Amal.

These initiatives of Iranian leaders after the death of Khomeini — an era that Ehteshami terms the “Second Republic” — reveal that decisionmakers were no longer as risk tolerant. Iranian leaders viewed the threats of international economic isolation as critical, and therefore endeavored to integrate their state into the global economy. Such variation in policy demonstrates not only that the government was willing to curb its support for Hezbollah when external threats lessened, but also that common identity could not ensure unwavering sponsorship of Hezbollah.

In-Case Variation

Iranian decisionmakers were initially unwilling to discount the future strategic risks of sending a force into Lebanon, where it could create a proxy. Indeed, it is worth remembering Qassem’s statement that Iran had, since 1979, sought to influence events in Lebanon, but the

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opportunity to do so “only came about when Israel invaded Lebanon [in 1982]. That provided the condition to realize the already present desire.” While Israeli raids into Lebanon before 1982 may have worried decisionmakers in Tehran, the lack of an acute and immediate threat to Iranian interests left them unwilling to discount the future strategic risks of sponsoring a client in Lebanon. What is more, Tehran’s risk management criteria were not adequately met before 1982: Syria had refused to sanction the sending of IRGC troops into Lebanon, diminishing Iran’s perceived ability to mitigate strategic risks.

The Israeli invasion of Lebanon on 6 June 1982, however, dislodged this risk aversion. Khomeini perceived the incursion as an immediate and acute threat to Iranian interests because he believed Lebanon was a critical component of Iran’s expanding sphere of influence. Thus, within a week of the Israeli attack, he sent one thousand Pasdaran to Lebanon, where they established Hezbollah. Sponsorship of the group continued and increased in order to counter other perceived imminent threats, including the French and American presence in Lebanon and Iraq’s ongoing war against Iran. Moreover, the IRGC contingent was sent into Lebanon after securing Syria’s permission to do so. This variation highlights how both risk management and shifts in the balance of threat can increase a decisionmaker’s willingness to discount strategic risk over time.

The close of the Iran-Iraq War in 1988 and the departure of American and French forces from Lebanon led Iranian decisionmakers to reassess their willingness to run the risks of sponsoring Hezbollah. Without these acute and immediate threats, the need to maintain close ties to Hezbollah lessened, and support for the terrorist organization was downgraded by officials in Tehran. (Israel remained an occupying force in Lebanon, compelling Iranian leaders to continue
a certain level of support for the group.) This variation again demonstrates the importance of shifts in the balance of threat in determining future risk acceptance.

**Conclusion**

Khomeini’s willingness to discount the future strategic risks associated with backing Hezbollah principally resulted from shifts in the external threat environment. While domestic politics and ideological concerns certainly helped define and shape Khomeini’s interests, the dangers of an Israeli and American incursion into Lebanon, which the supreme leader regarded as an Iranian sphere of influence, compelled him to sponsor a terrorist group as a corrective action. This motivation was complemented by Khomeini’s perception that he could secure Iranian influence through money and arms, as well as manage risks through monitoring and oversight.

Khomeini had other, less strategically risky options. Like Rafsanjani, he could have sought state-to-state relations with Lebanon and forced a proxy to work within the political system of that state. Rather than compelling Hezbollah to carry out attacks against Israeli or Western targets, he could have bandwagoned with these states against the more pressing threat from Iraq. (As discussed in Chapter Six, Iran did find a way to work briefly with the United States and Israel during the Iran initiative.)

It is, of course, difficult to trace decisionmaking processes in a state as opaque as Iran. The fact that Iran’s “motivations for supporting Hezbollah have varied in strength over time” further clouds the vision of analysts. But the available evidence shows that it was primarily “[l]ocal interests” and “complex anti-Israel motives and strategic concerns” that led Iran to

\[180\] Byman, *Deadly Connections*, 91.
support Hezbollah.\textsuperscript{181} Adding to Khomeini’s willingness to discount future strategic risks was his ability to imbue Hezbollah with “views and goals [that] were tailored after the Islamic Republic’s.”\textsuperscript{182}

Though it has at times been downgraded, Iranian support for Hezbollah has continued for thirty years. As such, this chapter is distinct from many other cases in this dissertation: though Iran has certainly paid a significant price for backing the terrorist group — it has been subject to international penalties, isolation, and embargoes — leaders in Tehran have continued to discount the future strategic risks associated with that policy. And thus the question remains whether Iranian officials will one day rue their sponsorship of Hezbollah. Because this dissertation does not assume that costs rise over time — only that future costs exist and may one day materialize — it cannot predict whether or when that day will arrive. It can, however, forecast that Iranian support for Hezbollah will end when leaders in Tehran believe that sponsoring the terrorist group counters no threat, or when they believe themselves no longer able to manage the associated risks.

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<td>Shifts in the Balance of Threat</td>
<td>Yes</td>
<td>1982 Israeli invasion of Lebanon; Iran-Iraq-War; effort to displace Amal; perceived Western intervention in Lebanon and Iraq</td>
</tr>
<tr>
<td>Risk Management</td>
<td>Yes</td>
<td>Ex ante: Public declarations of fealty; shared desire to create religious polity under Iranian leadership and wage war on Iran’s enemies Ex post: Deployment of Iranian officials to monitor and influence Hezbollah decisionmaking and operations</td>
</tr>
</tbody>
</table>

\textsuperscript{181} Hamzeh, \textit{In the Path of Hizbullah}, 81.  
\textsuperscript{182} Hitti, “Lebanon in Iran’s Foreign Policy,” 183.
| Domestic Politics | Somewhat | Yes: Use export of revolution to maintain coalition during times of domestic unrest  
|                  |          | No: External threat from Israel was necessary to compel sponsorship  
| Trust           | Somewhat | Yes: Religious mandate to support Shia groups against non-Shia adversaries  
|                 |          | No: Tool for legitimating and pursuing strategic goals; unwillingness to support Amal  
| Prestige        | No       | No seeking of recognition for military or technological advances; sought regional power rather than status; do not claim credit for attacks on Western or Israeli targets  

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CHAPTER SIX
Arms for Adversaries

This chapter examines U.S. and Israeli arms transfers to Iran during the 1985-1986 Iran-Contra affair. During that time, decisionmakers violated embargoes against Tehran and provided the Khomeini government with a variety of munitions. In transferring arms to a recognized adversary, officials risked that Iran would use those weapons against American or Israeli interests (“boomerang”). They also ran the risk that third-party observers would learn of the arrangement and subsequently disregard future American-led embargoes or similar strategic initiatives.

The chapter begins by reviewing the chronology of the Iran initiative and detailing the risks that both states ran in providing arms to Tehran. It then tests the cases against the variables in question, arguing that a perceived shift in the balance of threat best explains why American and Israeli decisionmakers discounted the future strategic risks associated with arms transfer. Specifically, it shows that U.S. decisionmakers believed that the failing health of Khomeini, coupled with domestic turmoil in Iran, had set off a succession struggle that the Soviet Union would exploit to intervene in a strategically vital country. These fears were complemented by Washington’s belief that it could manage the risks of weapons transfer, primarily through Iranian costly signaling. On the Israeli side, decisionmakers sent arms to Iran because they believed that an Iraqi victory in the Iran-Iraq War posed an immediate and acute threat to Israeli interests.

Indeed, this chapter argues that the Iran initiative of 1985 was merely a continuation of the strategic logics that compelled Israeli officials to discount future risks five years prior. Israeli officials’ perception that they could manage the risks — through American complicity, Iranian

1 By necessity, this chapter’s review of events and meetings is not exhaustive.
costly signaling, and phased operations — further increased their risk tolerance.

Background

At the time of Ronald Reagan’s election in November of 1980, U.S. relations with Iran were seemingly at a nadir. The Islamic Republic continued to hold hostage American personnel who had been captured during the 1979 takeover of the embassy in Tehran. The United States had retaliated through economic and diplomatic coercion, placing an arms embargo against Iran. Even after Iran released the hostages on 20 January 1981 — the same day as Reagan’s inauguration — relations between the two sides continued to deteriorate into enmity.

American animosity toward Tehran increased as a result of Iranian-sponsored attacks on U.S. personnel and facilities in Lebanon (discussed in greater detail in Chapter Five). Leaders in Washington knew that Iran was behind Hezbollah’s deadly attacks in April and October of 1983 — Bud McFarlane, the National Security Adviser during the Iran initiative, recalled that “intercepted Iranian messages since September [1982] showed Iranian officials in Tehran and Damascus urging their Lebanese colleagues to attack French and American targets” — and they suspected Iranian involvement in the kidnapping of seven Americans over the following two years.²

Israeli-Iranian relations were similarly at a low-point during this time. Ayatollah Khomeini had denounced and cut off all ties with Israel in the aftermath of the 1979 Islamic Revolution. Moreover, he had been using Iranian proxies in Lebanon to impose costs on the Jewish State: beginning in November of 1982, attacks from Shiite groups led not only to Israeli

loss of life, but to the withdrawal of Israeli forces in 1985 to a “security zone” 10km inside Lebanon. Khomeini matched these deeds with vitriolic rhetoric: he referred to the United States and Israel as “Great Satan” and “Little Satan,” respectively, and declared that the two states were “at the root of all evil in the world.” He described Israel as a “‘cancer’ that would destroy Islam and Muslims if not removed from the region.”

The outbreak of the Iran-Iraq War in September of 1980 added further fuel to the fire. Washington determined that “any ‘improvement in the Iranian arms supply would intensify the war with Iraq’ and possibly spill over into neighboring states,” and therefore continued the embargo against Iran, even after its hostages were released. What is more, the United States tilted toward Iraq: in June of 1982, the U.S. began providing Iraq with “satellite photography and other material indicating vulnerabilities in its defense lines,” a practice that continued for a number of years. Washington also gave Iraq “financial assistance … and other forms of aid to help Baghdad triumph.” Perhaps more detrimental to Iran’s war efforts, the United States in 1983 initiated Operation Stanch to “stop the sale of arms to Iran in order to help bring an early end to the Iran-Iraq War.” U.S. Secretary of Defense Caspar Weinberger described the program as intended to “persuade Iran of the futility of pursuing the war by limiting its ability to secure weapons, ammunition, and other supplies.” As part of the operation, Washington placed

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3 Harik, Hezbollah, 40; Norton, Hezbollah, 80-81; Byman, A High Price, 209; Souresrafil, Khomeini and Israel, 48.
4 Segev, The Iranian Triangle, 4.
7 Freedman, A Choice of Enemies, 165.
8 Byman, Deadly Connections, 105-6.
pressure on other states not to sell arms to Tehran.¹¹

Both the United States and Israel recognized Iran as an adversary, as Tehran’s sponsorship of terrorism throughout the region troubled leaders in both governments. Bob Gates, then a top official at the Central Intelligence Agency, stated that Iran was the “worst offender” of terrorism that Washington faced, a designation that led to Tehran being placed on the State Department’s list of sponsors of international terrorism on 20 January 1984.¹² That placement intensified U.S. efforts to “actively pressure … its allies not to ship arms to Iran”¹³

And yet changes began to appear in various circles of the American intelligence community. On 13 January 1984, Geoffrey Kemp, Senior Director for Near East and South Asian Affairs at the National Security Council, sent a memorandum to McFarlane recommending that the United States “reevaluate” its Iran policy. Kemp pointed to factional divisions inside Iran and the possibility of Khomeini’s imminent death as reasons for such a review.¹⁴

While Kemp’s memo failed to cause a serious reassessment at that time, the idea of Khomeini’s death did take hold: the Tower Commission reported that by “early 1984, McFarlane and members of the NSC staff had become concerned about future U.S. policy toward Iran. They feared that the death of Khomeini would touch off a succession struggle which would hold important consequences for U.S. interests,” namely that a new government leadership in Iran would favor the USSR.¹⁵ Israeli analysts soon came to a similar conclusion: Tom Segev notes,

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¹¹ Hamilton and Inouye, Report of the Congressional Committees Investigating the Iran-Contra Affair, 158.
¹² Gates, From the Shadows, 351.
“In the fall of 1984 it looked as if Khomeini’s revolution had burnt itself out. The time had come, it seemed for Israel, the U.S., and the rest of the industrialized world to take a new look at Iran.”

Compelled by these concerns, McFarlane “requested an interagency study of U.S. relations with Iran after Khomeini” on 31 August 1984. On 19 October, he received National Security Study Directive (NSSD) 5-84, which acknowledged that Washington “had ‘no influential contacts’ within the Iranian government or Iranian political groups.” The study, however, “failed to identify any new ideas for significantly expanding U.S. influence in Iran” and “resulted in no changes in U.S. policy.” The document ultimately “reaffirmed existing U.S. policies, notwithstanding changes in Tehran, including the policy of discouraging arms transfer to Iran.”

Citing perceived dangers posed by the Soviet Union, a number of senior members of the National Security Council voiced dissatisfaction with the report. The Tower Commission explains that “NSC staff members were unhappy with the result of the interagency effort. They placed a high priority on fashioning a strategy for acquiring influence and checking the Soviets in Iran. Graham Fuller, then the National Intelligence Officer for the Near East and South Asia, told the Board that in early 1985 the U.S. intelligence community began to believe that serious factional fighting could break out in Iran even before Khomeini died. This change in the

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community’s assessment provided a second opportunity for a policy review.” 21

Israeli decisionmakers weighed similar intelligence reports about factional in-fighting and succession in the Islamic Republic. Israeli Prime Minister Shimon Peres recalled that in the early months of 1985, “I had learned … that despite Khomeini’s absolute grip on the country, there were three distinct trends discernible within revolutionary Iran’s policymaking circles,” including one that was a “moderate group [that] followed the speaker of the Majlis, [Akbar Hashemi] Rafsanjani.” 22 Israeli arms merchant Yaacov Nimrodi confirmed these reports to Peres after meeting with exiled-Iranian arms dealer Manucher Ghorbanifar in February of 1985 in Geneva. Together with Adolph Schwimmer, also an arms dealer and confidante of Peres, Nimrodi told the prime minister that “there were three distinct groups within the Tehran ‘establishment,’ distinguished by the varying degrees of extremism in their attitudes to the outside world. … Soon enough, contact with envoys representing … the most moderate of the three … made contact with us and gave us to understand that they could bring about the release of U.S. hostages. They said they had to prove … that they could obtain a substantial quid pro quo in the form of advanced American weaponry.” 23

In April, Peres agreed that Israel would sell $40 million of “mortars, shells, and air bombs” to Iran. 24 The Iranians canceled the shipment later that month, claiming they wanted American TOW missiles from Israel instead. 25 In his encyclopedic recounting of Iran-Contra, Theodore Draper relays that the “deal was off, and the Israelis realized that they were faced with

22 Peres, Battling for Peace, 214.
23 Peres, Battling for Peace, 215.
24 Draper, A Very Thin Line, 140.
25 TOW is a commonly used abbreviation for “tube-launched, optically-tracked, wire-guided.”
an Iranian demand that could not be legally satisfied without the approval of the United States.”

Still, the timing of Israel’s initial assent is notable: the Israelis agreed to sell Iran weapons before the arrival of Michael Ledeen (discussed in greater detail below), the event often seen as the catalyst for Iran-Contra. In other words, decisionmakers in Israel had reason to transfer arms independent of American interests.

Meanwhile, decisionmakers at the NSC were becoming increasingly anxious. In a memo to CIA Director William Casey and Deputy Director John McMahon on 4 April 1985, Fuller wrote, “We are moving toward an extremely delicate and complex phase of Iranian politics. It could present a turning point for U.S. interests — for better or worse. As Khomeini’s grip loosens and Iran’s economic problems increase, factionalism is growing and the war continues to be a losing prospect — all heightening the chances for evolving chaos or even some sort of dramatic change.” Fuller was painting a picture in which the Soviet threat was immediate and acute. That same month, McFarlane dispatched Ledeen, a consultant to the NSC, to meet with Peres to “explore potential Israeli-U.S. cooperation on Iran” and “express interest in developing ‘a more serious and coordinated strategy for dealing with the Iranian succession crisis.’” By the time Ledeen arrived in Israel in the first week of May, the Israelis had already agreed to ship arms to Iran. And yet Ledeen’s arrival created an opportunity for collusion: Ledeen has stated that during their meeting, Peres “asked him to advise McFarlane that Israel wanted to sell artillery shells or pieces to Iran but would do so only if it received U.S. approval.” He did not

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26 Draper, *A Very Thin Line*, 139-140.
reveal that Israel had already assented to such a deal.

In Washington, McFarlane was interested in garnering more information on the fluidity of the political situation in Iran, and so he requested another policy study in May. On 17 May 1985, he and other top government officials received a memo from Fuller entitled, “Toward a Policy on Iran.” In his report, Fuller wrote:

The U.S. faces a grim situation in developing a new policy toward Iran. Events are moving largely against our interests and we have few palatable alternatives. In bluntest form, the Khomeini regime is faltering and may be moving toward a moment of truth; we will soon see a struggle for succession. The U.S. has almost no cards to play; the USSR has many. Iran has obviously concluded that whether they like Russia and Communism or not, the USSR is the country to come to terms with: the USSR can both hurt and help Iran more than the U.S. can. Our urgent need is to develop a broad spectrum of policy moves destined to give us some leverage in the race for influence in Tehran.30

Fuller suggested that the “option most constructively oriented is that of inserting Western allies and friends into Tehran quickly through the arms door” in order to “indicate to Tehran alternatives to Iranian reconciliation with and dependence on Moscow.”31

According to Draper, top officials at the CIA “largely accepted this estimate” and subsequently “issued a revision of [the agency’s] basic analysis of Iran in which it also stressed the competition with the Soviets for Iran’s favor.”32 On 30 May, a Special National Intelligence Estimate (SNIE) requested by McFarlane similarly “presented a pessimistic assessment of internal Iranian instability and some indications that the Soviets were making significant inroads in Iran.”33 Though it would later become clear that Soviet influence in Iran was far more limited

32 Draper, A Very Thin Line, 149.
than decisionmakers in Washington believed, this perception of threat proved critical in determining U.S. policy.

Indeed, as a result of these studies, NSC Senior Director for Political-Military Affairs Donald Fortier and NSC Senior Director for Near East and South Asian Affairs Howard Teicher drafted a National Security Decision Directive (NSDD) for McFarlane that they submitted on 11 June 1985. In their cover letter, they noted that the NSDD “basically calls for a … policy designed to block Soviet advances in the short-term while building our leverage in Iran and trying to restore the U.S. position which existed under the Shah over the longer-term. This would require a sharp departure from ongoing overt and covert measures, most notably the supply of Western military hardware, U.S. initiative to dialogue with Iranian leaders, and activist covert actions.” The draft directive is worth quoting extensively, as its logic would guide the decision to transfer arms to Iran.

To begin, the document stressed that the “Iranian leadership faces its most difficult challenges since 1981. The regime’s popularity has declined significantly in the past six months, primarily because of intensified disillusionment with a seemingly unending war, the continued imposition of Islamic social policies on a population increasingly reluctant to accept such harsh measures, and a faltering economy brought on primarily by declining oil revenues. The impact of these problems is intensified by the realization that Ayatollah Khomeini’s mental and physical health is fragile, which in turn casts a pall of uncertainty over the daily decisionmaking

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These conditions meant that in a post-Khomeini Iran — which would materialize imminently — power would go to one of the factions jockeying for power. The NSDD asserted that the “U.S. position in Tehran is unlikely to improve without major changes in U.S. policy. The challenge to the U.S. in the post-Khomeini period will be severe.” Saliently, it argued that to rectify this situation, “[s]hort-term measures should be undertaken in a manner that forestalls Soviet prospects and enhances our ability, directly and immediately, to build U.S. and Western influence in Iran.”

Specifically, the NSDD suggested the U.S. “[e]ncourage Western allies and friends to help Iran meet its important requirements so as to reduce the attractiveness of Soviet assistance and trade offers, while demonstrating the value of correct relations with the West. This includes provision of selected military equipment as determined on a case-by-case basis.” In sum, the document touched on many of the key logics of the Iran initiative: that domestic turmoil and Khomeini’s failing health meant that a succession struggle was taking place in Iran; that the United States had no influence over these events; and that the Soviet Union, poised to exploit its own connections in Tehran, posed an acute and immediate danger to American interests. Casey responded that he “strongly endorse[d] the thrust of the draft NSDD of U.S. Policy Toward Iran, particularly its emphasis on the need to take concrete and timely steps to enhance U.S. leverage in order to ensure that the USSR is not the primary beneficiary of change and turmoil in this

critical country.”

The draft directive was roundly condemned by top officials at the State Department and the Department of Defense. In a memo to McFarlane, Secretary of State George Shultz wrote that the “proposal that we permit or encourage a flow of Western arms to Iran is contrary to our interest both in containing Khomeinism and in ending the excesses of this regime.” He “warned against the danger of strengthening Iran” and in fact argued that the “steady decline of Iran’s military capability is in our interests, and we should not facilitate the supply of weapons from Western Europe that would revive that military capacity.” Stating the risks of such a venture, he concluded, “Given the disparity in size between Iran and Iraq, this could ultimately mean an Iranian victory, and a fresh burst of energy for anti-Americanism throughout the region.”

Secretary of Defense Weinberger also opposed the initiative. He replied to McFarlane, “Under no circumstances should we now ease our restriction on arms sales to Iran. [Such a] policy reversal would be seen as inexplicably inconsistent by those nations whom we have urged to refrain from such sales, and would likely lead to increased arms sales by them and a possible alteration of the strategic balance in favor of Iran while Khomeini is still the controlling influence.”

Events of June 1985 threw the NSDD into sharper relief. On 14 June, Shiite terrorists

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hijacked TWA flight 847 and murdered Navy diver Robert Stethem. The event was salient for two principal reasons. First, it again brought the issue of terrorism and hostages to the forefront of the political agenda. Second, the Reagan administration again staked out an unyielding position against terrorists and their backers. On 30 June, President Reagan insisted, “The United States gives terrorists no rewards and no guarantees. We make no concessions; we make no deals. Nations that harbor terrorists undermine their own stability and endanger their own people. Terrorists, be on notice, we will fight back against you.”

On 3 July, David Kimche, the Director General of the Israeli Foreign Ministry — whom Peres had appointed to handle Iran issues and coordinate policy with the United States — traveled to Washington to meet with McFarlane. Kimche had recently met with Saudi financier Adnan Khashoggi, Ghorbanifar, Mohammed Karoubi (known in American documentation as the “First Iranian”), Nimrodi, and Schwimmer, and now “asked the position of the U.S. government toward engaging in a political discourse with Iranian officials.” McFarlane testified that “Kimche told him the Iranians understood that they would have to demonstrate their ‘bona fides’ and that the Iranians believed they could influence Hezbollah to release the hostages in Beirut. But McFarlane also recalled Kimche expressing the view that ultimately the Iranians would need something to show for the dialogue, and that this would ‘probably’ be weapons.” The tropes of the Iran initiative were thus becoming familiar: American fears over Soviet intervention, the hopes for a rapprochement between the United States and Iran to stave off that eventuality, and

45 Shultz, Turmoil and Triumph, 794.
47 Tower et al., The Tower Commission Report, 24; Draper, A Very Thin Line, 130, 142. See also Hamilton and Inouye, Report of the Congressional Committees Investigating the Iran-Contra Affair, 166.
the use of hostages to demonstrate Iranian “bona fides.”

The Iranians continued to beat the drum of Soviet intervention. During an 8 July meeting with Kimche, Nimrodi, and Schwimmer, Karoubi reportedly told the Israelis that “[o]ur region … can expect a physical threat from the Soviet Union” and that the Iranians “want to cooperate with the West, and the U.S. can help us with this.” 49 Karoubi went on to speak “of the need for a party who could act as a bridge between Iran and the United States, of the threat of Soviet influence in Iran, and of the risks he had taken in meeting with Israel in order to promote an opening with the United States. The participants also discussed missiles and hostages.” 50 Moreover, McFarlane was passed a letter dated 16 July from Karoubi to Nimrodi that read, “I believe that if our friends in the West do not display dexterity, do not see that the forces supporting them are organized, and do not answer our requests positively … then after Khomeini’s death … our country faces two options: to become a second Lebanon, but on a much larger and more dangerous scale; or, within a few month, no longer than two years, Iran will become a Communist puppet state.” 51

Following this missive, on 18 July, McFarlane briefed the president on the evolving idea of an Iran initiative. Reagan, who was recuperating from surgery at the time, reportedly responded, “I’m not put off by the idea, but we can’t do it. We don’t have any firsthand experience with these people, and until we do, it wouldn’t be wise to begin shipping weapons to people we don’t know. But tell them again … we do want to talk, we want to exchange our thoughts with them, and we’ll work toward the day when our confidence in each other can

50 Hamilton and Inouye, Report of the Congressional Committees Investigating the Iran-Contra Affair, 166.
51 Segev, The Iranian Triangle, 162.
And yet events took a turn after Kimche’s 2 August visit to Washington. The Israelis remained reluctant to take action without express consent from the United States: Israeli Defense Minister Yitzhak Rabin in particular “would not proceed unless he received assurances that the Secretary of State knew of the plan and that the President unequivocally approved.” Peres therefore sent Kimche to confer with the Americans and verify that they saw the potential arms transfers as “a strategic move designed to establish contacts with Khomeini’s successors, and not just as a tactic to free [captured CIA station chief William] Buckley and his fellow captives. Freeing the hostages … had to be a secondary goal and serve as no more than a test of the Iranian mediators’ ability to keep their promises.” Kimche was also to “obtain a promise from McFarlane, in the President’s name, that the U.S. would supply Israel with new and modern anti-tank TOW missiles to replace those supplied to Iran.”

During the meeting, Kimche reported that the “Iranians had asked whether the United States would supply arms to Iran. McFarlane recalled responding that he thought not.” McFarlane remembered that Kimche subsequently stated, “You say you’re not going to do it. But if we do it [ship the weapons], can we buy new weapons from you?” McFarlane brought the question to the president, who called a meeting on 6 August to discuss this new idea. That day, McFarlane told President Reagan, Vice President George H.W. Bush, Shultz, Weinberger, and Chief of Staff Donald Regan that “three meetings had taken place between Israelis and Iranians,

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52 McFarlane, Special Trust, 27. See also Draper, A Very Thin Line, 156-57.
53 Hamilton and Inouye, Report of the Congressional Committees Investigating the Iran-Contra Affair, 166.
54 Segev, The Iranian Triangle, 166.
55 Segev, The Iranian Triangle, 166.
57 McFarlane, Special Trust, 31-32. See also Draper, A Very Thin Line, 163.
at which it was claimed that ‘Iran was in a shambles and a new government was inevitable.’ The
Iranians had reported that the military and the people were ‘still pro-American’ and ‘want a
dialogue with America.’ The Iranians wanted arms from the United States and 100 TOW
missiles from Israel, in return for which they could produce four or more hostages.”58 After
Shultz and Weinberger opposed the idea — the secretary of state told Reagan “it ‘was a very bad
idea,’ and that despite the talk of better relations, ‘we were just falling into the arms-for-hostages
business and we shouldn’t do it’” — the president dismissed the meeting without coming to a
conclusion. 59 According to the investigative Congressional committee, “Several days later, the
President telephoned McFarlane … and authorized the Israelis to proceed with the sale in modest
quantities of ‘TOW missiles or other military spares’ that would be replenished by the United
States. The President stipulated that the sales not affect the balance of the Iran-Iraq war, not be
used for terrorist purposes, and not include such major items as aircraft.”60

Evidence surrounding Reagan’s decision points to the fact that he sought a political
opening to Iran, rather than merely the recovery of the hostages. To begin, the president
“indicated that the United States was interested in a political meeting with the Iranians.”61 Chief
of Staff Regan echoed that the “President expressed concern with any one-for-one swap of arms
for hostages and indicated ‘we should go slow on this but develop the contact.’”62 Furthermore,
when McFarlane “subsequently conveyed the President’s decision to Kimche,” he “emphasized to Kimche that the U.S. purpose was a political agenda with Iran, not an exchange of arms for hostages.”

On 20 August, Israel delivered ninety-six TOW missiles to Iran, but no hostages were freed (the Iranians had promised the release of at least four). A second series of deliveries followed — one hundred TOWs on 30 August and 408 on 14 September. On 15 September, Benjamin Weir, a Presbyterian minister, was released from captivity. Notably, Ghorbanifar told the Tower Commission that these deliveries “were not linked to a hostage release. They were to evidence U.S. seriousness in reestablishing relations with Iran. … The goal was to establish a new relationship between the two countries, which would include a pledge by Iran of no further terrorist acts against the United States or its citizens by those under Iran’s control.”

Over the next month, the Iranians continued to press the Americans and Israelis for weapons, again citing the need to counter an immediate Soviet threat. One report notes that Karoubi “demanded 150 Hawk missiles for the defense of the holy city of Qom and for shooting down high-flying Soviet intelligence missiles and 30-50 Phoenix missiles.” On 30 October, Ledeen told NSC staff member Oliver North that in exchange for such munitions, the hostages “would be released in three groups, with separate arms deliveries to Iran to occur before the

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second and third releases.”68 McFarlane “did not oppose renewing arms shipments to Iran” but “instructed North and Ledeen that ‘not one single item’ of armaments should be shipped to Iran without the release of ‘live Americans.’”69

On 15 November, Israeli Defense Minister Rabin visited McFarlane at the White House to inform him that Israel planned on making another shipment to Iran, and would need replacement missiles from the United States. Rabin “wanted ‘to reconfirm that the President of the United States still endorsed this concept of Israel negotiating these arms sales.’” McFarlane replied that the president’s authorization for Israel to sell arms to Iran subject to replenishment by the United States was still in effect.”70 Notably, McFarlane also “indicated U.S. reservation about any trade of arms for hostages,” underscoring the administration’s continuing endeavor to decouple the arms and hostages.71

The next delivery was disastrous: not only was it late, but the aircraft that landed in Iran carried only eighteen, rather than the promised eighty, missiles. McFarlane summarized, “The Hawk shipment, it appeared, had gone completely, resoundingly awry. The Israelis had not only shipped the wrong type of missiles, but the ones they had sent were stamped with the Star of David, hardly the most auspicious symbol to be sitting on the tarmac in Muslim Iran. … Not surprisingly, no hostages had been released.”72

On 4 December, North took greater control of the process and created a “new approach [that] substituted a sequential or phased release of the hostages in return for successive deliveries

68 Hamilton and Inouye, Report of the Congressional Committees Investigating the Iran-Contra Affair, 175.
69 Hamilton and Inouye, Report of the Congressional Committees Investigating the Iran-Contra Affair, 175.
70 Hamilton and Inouye, Report of the Congressional Committees Investigating the Iran-Contra Affair, 176.
72 McFarlane, Special Trust, 46. See also Tower et al., The Tower Commission Report, 33; Hamilton and Inouye, Report of the Congressional Committees Investigating the Iran-Contra Affair, 175; Wroe, Lives, Lies, and the Iran-Contra Affair, 7.
of arms.” Draper explains that this idea was “North’s first major bid for assuming personal command of U.S.-Iran policy [and] was a peculiar mixture of theory and practice, with the primary theoretical aim of a new U.S.-Iran relationship put off until the secondary practical objective of freeing the hostages was fulfilled.”

On 8 December, Reagan dispatched McFarlane — who had recently been replaced by John Poindexter as National Security Advisor — to London to meet with Ghorbanifar so that the president “could take a decision based on firsthand U.S. information.” The meeting would prove illuminating. During the talks, McFarlane told the Iranians that Washington had:

reconsidered the situation and decided the following: ‘That, first, we are interested in establishing contact with political figures committed to changing Iranian policy. Secondly, the agenda we pursue with these figures will be a political one that will focus on bilateral relations and the means by which we might work toward a renewed formal relationship. The agenda will treat regional issues, to include Iran’s relationship to its neighbors — the Soviet Union, Afghanistan, Iraq — as well as our bilateral relationship. Whenever your colleagues are ready for this, they should say so. But until that time, we have no interest in transferring arms, and cannot encourage others to do so.’

Though McFarlane came away from the meeting “with the impression that ‘it was very apparent that [Ghorbanifar’s] agenda was buying weapons and his interest in our political agenda [was] very superficial,’” his warnings to decisionmakers in Washington were overshadowed by North’s actions. On 9 December, North “submitted to Poindexter a memorandum proposing direct U.S. deliveries of arms to Iran in exchange for release of the hostages.” He suggested, “We could … commence deliveries ourselves. … This proposal has considerable merit in that we

73 Draper, A Very Thin Line, 222.
74 Draper, A Very Thin Line, 223.
75 Poindexter, House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, Testimony of John M. Poindexter, 26.
76 McFarlane, Special Trust, 48.
77 Draper, A Very Thin Line, 231. See also Tower et al., The Tower Commission Report, 35.
78 Tower et al., The Tower Commission Report, 37.
will reduce our vulnerabilities in the replenishment of Israeli stocks and can provide items like the Improved Hawk which the Iranian Air Force wants and the Israelis do not have.”

On 7 January, the president called another meeting of his top advisers to discuss the Iran initiative, but no definitive conclusion was reached. Any lingering debate, however, ended on 17 January when Reagan signed a Presidential Finding regarding the Iran initiative. The Finding asserted that the government “will act to facilitate efforts by third parties and third countries to establish contact with moderate elements within and outside the Government of Iran by providing these elements with arms, equipment, and related materiel in order to achieve a more pro-U.S. government in Iran by demonstrating their ability to obtain requisite resources to defend their country against Iraq and intervention by the Soviet Union.”

While the document articulated that the U.S. sought to “obtain the release of hostages and to secure an opening to Iran,” it saliently “made releasing the hostages a ‘subsidiary benefit’ of a larger program to change the Iranian government through military and other support of supposedly ‘moderate’ Iranian elements.”

The cover memorandum associated with the Finding also proves enlightening. Foremost, it outlined “Operation Recovery,” which “called for Israel to arrange for the sale of 4,000 U.S. TOW missiles to Iran. The memorandum stated that both sides had agreed that the hostages

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80 Reagan had actually signed a nearly identical finding on 6 January, but because he claimed that it was signed “in error,” this dissertation focuses on the 17 January finding. The fact that a meeting to debate the Finding was held on 7 January seems to confirm this narrative. See Tower et al., *The Tower Commission Report*, 37-38; Draper, *A Very Thin Line*, 247. The president also signed a draft Finding on 5 December, though this too was not considered a relevant document. See Draper, *A Very Thin Line*, 215-16.
81 House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, *Testimony of John M. Poindexter*, 486.
would be released ‘immediately’ upon commencement of the operation. It provided, however, that if all the hostages were not released after the first shipment of 1,000 TOWs, further transfers would cease.”

The investigative Congressional committee found that the “President’s decision to sign the Finding on Friday, January 17, 1986 marked the beginning of U.S. control over the Iran arms sales initiative. In November 1985, the United States had acted as a necessary and supporting player to the Israeli plan to ship weapons; the January 17 Finding established that weapons from U.S. stocks would be transported and sold under U.S. control.” Still, the Israelis were to remain involved in an integral way, as they “were to provide the base from which to ship … and they were also to provide cover.”

On 18 February, Israel delivered five hundred TOWs to Iran. According to a memo from North, two days later an American official met with an Iranian interlocutor and “made an effort to refocus Iranian attention on the threat posed by the Soviet Union and the need to establish a longer-term relationship between our two countries based on more than arms transactions. It was emphasized that the hostage issue was a ‘hurdle’ which must be crossed before this improved relationship could prosper.” Less than a week later, North and Amiram Nir, who at the time was serving as a counterterrorism adviser to Peres, traveled to Frankfurt to meet with Mohsen Kangarlou (known as the “Second Iranian”), an Iranian security official whom North believed was “important enough in the Iranian hierarchy to ‘make his own decisions.’” North made the following notes of the 24-25 February meetings:

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86 North, House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, *Testimony of Oliver North: Appendices to Parts I and II*, 1.
Assessment of mtg & agreement we reached as follows: — [Kangarlou] has authority to make his own decisions on matters of great import. — He does not have to check back w/Tehran on decisions take. — The govt. of Iran is terrified of a new Soviet threat. — They are seeking a rapprochement but are filled w/fear & mistrust. — All hostages will be released during rpt during the next meeting. … They committed to end anti-U.S. terrorism…. Vý important — [Kangarlou] stressed that there were new Sov. moves/threats that we were unaware of. ⁸⁸

On 27 February, the United States sent another five hundred TOWs to Iran. Despite the agreement made at Frankfurt, no hostages were released.⁹⁸ Still, North remained a fervent supporter of the initiative and continued to advocate it to his colleagues in the White House. In a 4 April memo, he reiterated that he “wanted to get straight the relations between the two main American objectives — the need to establish a long-term connection between the United States and Iran ‘based on more than arms transactions,’ and the hostage issue. The latter was merely a ‘hurdle’ which had to be overcome before the improved relationship could prosper.”⁹⁰ Draper notes that a “theme struck by North played up the Soviet menace: ‘We have convinced the Iranians of a significant near term and long-range threat from the Soviet Union. … They have expressed considerable interest in this matter as part of the longer term relationship.’”⁹¹

The initiative to gain influence over Khomeini’s successors seemed to advance in mid-April, when the Iranians agreed to high-level diplomatic talks in Tehran.⁹² In a 16 April memo, Poindexter wrote to North, “You may go ahead and go, but I want several points made clear to them. There are not to be any parts delivered until all the hostages are free in accordance with the plan that you layed [sic] out for me before. None of this half shipment before any are released crap. It is either all or nothing. … Either they agree finally on the arrangements that have been

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⁹² McFarlane, *Special Trust*, 54.
discussed or we are going to permanently cut off all contact. If they really want to save their asses from the Soviets, they should get on board.”

According to an agreed-upon plan, McFarlane and North were to meet with Speaker Rafsanjani, Prime Minister Musavi, and President Khameini; the hostages would be released upon the arrival of the American delegation. Again, nothing went according to plan: the delegation, which arrived in Tehran on 25 May, did not meet with any Iranian senior officials, and no hostages were released. The delegation left empty-handed on 28 May, but not before the Iranians took a pallet of spare parts from the aircraft.

Though the president subsequently determined that “no further meeting with the Iranians would be held until the release of the hostages,” the Americans were once again drawn in because of the perceived Soviet threat. Draper explains that on 10 July, North told Poindexter that he had learned that “the highest levels in the Iranian government, including Speaker Rafsanjani, were more concerned about the Soviet threat, some of its members foresaw that Iran could ‘possibly cause the release’ of the American hostages ‘given the right conditions’; and a suggestion for direct U.S.-Iran discussions was not rejected. … North seized on these apparent overtures to recommend an even stronger bid to the Iranians.” Reagan and decisionmakers on the NSC were further encouraged by the release of Lawrence Martin Jenco, Director of Catholic Relief Services in Beirut, on 26 July, and they approved the shipment of more Hawk spare parts

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93 Hamilton and Inouye, Report of the Congressional Committees Investigating the Iran-Contra Affair, 227. See also Tower et al., The Tower Commission Report, 43.
94 Hamilton and Inouye, Report of the Congressional Committees Investigating the Iran-Contra Affair, 237; Tower et al., The Tower Commission Report, 44.
95 Tower et al., The Tower Commission Report, 45.
96 Tower et al., The Tower Commission Report, 46-47.
97 Draper, A Very Thin Line, 381-82.
to Iran, which were delivered on 3 August.\textsuperscript{98} By the end of the summer, Poindexter was also convinced a breakthrough had occurred. He told Shultz that the United States “achieved … solid contact with Rafsanjani. We have convinced Iran that it can’t win the war, that the hostages have to be returned, and that the Soviets are a threat to them. … In other words, the Iranian political situation was fluid and susceptible to influence in a way that would be positive for us.”\textsuperscript{99}

During a series of meetings from 19-21 September, the “two sides discussed the Soviet threat, cooperation in support of the Afghan resistance, and improved relations between the United States and Iran. The bulk of the time, however, was spent discussing the ‘obstacle’ of the hostages and Iran’s urgent need … for both intelligence and weapons to be used in offensive operations against Iraq.”\textsuperscript{100} A memorandum of the conversation between North and the Iranian delegates reported that the second Iranian channel “said that the Soviets are a great and aggressive power with a long border with Iran. ... The leaders of Iran are very worried today about the ‘fantastic’ increase of Soviet intelligence operations in Iran in recent times. … The Soviets are attempting to exploit Iranian internal problems.”\textsuperscript{101} A memo by North after the meeting emphasized that the Iranians “are very concerned about Soviet machinations in the area as a whole and in recent months have had their eyes opened by how much effort the Soviets are putting into penetrating and manipulating the Iranian government.”\textsuperscript{102} On 29 October, Reagan

\textsuperscript{98} Tower et al., \textit{The Tower Commission Report}, 47.
\textsuperscript{99} Shultz, \textit{Turmoil and Triumph}, 813.
\textsuperscript{100} Tower et al., \textit{The Tower Commission Report}, 48.
\textsuperscript{101} House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, \textit{Testimony of Oliver North: Appendixes to Parts I and II}, 773.
\textsuperscript{102} North, House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, \textit{Testimony of Oliver North: Appendixes to Parts I and II}, 792.
approved the shipment of another five hundred TOWs to Iran.\textsuperscript{103}

Though the Iran initiative seemed poised to continue, events over the next few weeks would sink it permanently. On 3 November, a newspaper in Beirut published the story of the American delegation’s May trip to Iran.\textsuperscript{104} Amid increasing uproar in the United States, Reagan on 19 November gave a press conference in which he “reject[ed] contentions that the secret arms transfers to Iran had been a mistake. He said that they were intended to signal American good faith to moderates in Iran who might succeed the radical regime of Ayatollah Khomeini.”\textsuperscript{105} Reagan stated, “I deeply believe in the correctness of my decision. I was convinced then and I am convinced now that while the risks were great, so, too, was the potential reward. … I don’t think a mistake was made. It was a high-risk gamble, and it was a gamble that, as I’ve said, I believe the circumstances warranted.”\textsuperscript{106} Estimates at the end of the initiative suggested that Israel and the United States had, over the previous eighteen months, sent more than two-thousand missiles to their recognized adversary.\textsuperscript{107}

**Risks**

American and Israeli decisionmakers faced a number of future strategic risks associated with transferring arms to Iran. To begin, they faced the alarming dangers of boomerang: having suffered devastating attacks in Lebanon from 1983 to 1985, American and Israeli leaders understood the harm that Iran could inflict on their states’ interests. The attacks in Lebanon had been damaging enough that both Israel and the United States enacted laws prohibiting the sale of

\textsuperscript{103} Tower et al., *The Tower Commission Report*, 50.
\textsuperscript{104} Tower et al., *The Tower Commission Report*, 51.
\textsuperscript{105} Preece, “Arms Shipments to Iran,” 3.
arms to Iran.\textsuperscript{108} Indeed, the imposition of Operation Staunch enshrined an American commitment to preventing Iran from obtaining weapons. Some U.S. officials even argued that arming the Iranians was more dangerous than the perceived Soviet threat: Secretary Shultz contended that the June NSDD “had exaggerated current anti-regime sentiments in Iran, as well as Soviet advantages over the United States in gaining influence.”\textsuperscript{109} Finally, though the Iranian interlocutors promised that the weapons were destined solely for moderate elements of the government and military, there was no guarantee that the arms would not find their way to the Revolutionary Guard — a danger the decisionmakers involved must have considered possible, if not likely.

The United States and Israel also ran the long-term risk that Iran, as well as other adversaries, would view the transfers as a sign of weakness, which in turn would invite further attacks and provocations. Weinberger explained that he worried the Iran initiative “would encourage the Iranian fanatics to believe that all they ever had to do to secure what they wished was to seize an American with the confident expectation that we would pay ransom for his release.”\textsuperscript{110} Relatedly, a number of U.S. officials voiced concern that if the United States violated its own export restrictions, third-party actors in the international system would no longer respect U.S. policy preferences. Shultz stated that the Iran initiative would “contravene our public position to embargo all arms sales to Iran,” which would have long lasting negative effects on American foreign policy.\textsuperscript{111} Moreover, by allowing arms transfers to Iran, Israeli and American

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\textsuperscript{108} Hamilton and Inouye, \textit{Report of the Congressional Committees Investigating the Iran-Contra Affair}, 178; Marshall et al., \textit{The Iran-Contra Connection}, 173.  \\
\textsuperscript{109} Preece, “U.S. Policy Toward Iran: 1979-1986,” 30.  \\
\textsuperscript{110} Weinberger, \textit{Fighting for Peace}, 356-57.  \\
\textsuperscript{111} McFarlane, \textit{Special Trust}, 32; Shultz, \textit{Turmoil and Triumph}, 803-4.
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policymakers risked opening the floodgates of Operation Staunch, after which all international actors could feel comfortable sending arms to Tehran.\footnote{Draper, \textit{A Very Thin Line}, 162.}

American and Israeli officials were also well aware of the risks to their strategic preparedness. The investigative Congressional committee reported that officials in the Department of Defense voiced concern that some of the shipments “would put the readiness impact in the ‘high risk’ category. … The CIA insisted on delivery, and all of the parts were shipped. U.S. readiness was thus adversely affected.”\footnote{Hamilton and Inouye, \textit{Report of the Congressional Committees Investigating the Iran-Contra Affair}, 232.} For their part, the Israelis refused to ship valuable missiles without promises from Washington of resupply, precisely because they feared they would be left vulnerable.

Key decisionmakers in America and Israel explicitly recognized Iran as an adversary and acknowledged the strategic risks of arming Tehran. Gates recalled that in 1985, terrorism “became a major focus of the Regan administration … especially terrorist acts committed by or on behalf of the government of Iran.”\footnote{Gates, \textit{From the Shadows}, 351.} Both the U.S. Secretary of State and the U.S. Secretary of Defense expressed strong opposition to the arms sales. Upon hearing of the original idea in 1985, Weinberger stated that it was “out of the question” and “that the President would be running an enormous risk.”\footnote{McFarlane, \textit{Special Trust}, 28.} Secretary Shultz was similarly emphatic: President Reagan testified that he was “warned by Secretary Shultz that the arms sales would undercut U.S. efforts to discourage arms sales by its allies to Iran.”\footnote{Tower et al., \textit{The Tower Commission Report}, 38.} Acknowledging the strategic risks, McFarlane filed a July 1985 report that noted the government “has to consider where this might lead … not
just in the compromise of our position, but to the possible eventuality of the Iranians winning and where that would put the security of the neighboring Gulf States. Clearly that is a loser.”

Reagan himself made a number of proclamations that evinced his recognition of Iran as a dangerous foe: on 8 July 1985, he stated that Iran “is part of a ‘confederation of terrorist states … a new international version of Murder Incorporated.’”

Even Casey, who later came to champion the idea, stated during deliberations, “It’s risky, but most things worth doing are.”

Leaders on the Israeli side also understood the risks of arming Iran. To begin, they knew that transferring weapons to Iran would contravene the official U.S. embargo against Tehran; the policy could therefore harm relations between Israel and the United States, its key strategic ally. Moreover, Israeli leaders recognized Iran as a dangerous and formidable adversary: Peres, for example, has stated that Khomeini’s vitriolic rhetoric “transcended both logic and political pragmatism” and that “Iran’s fingerprints could be found on almost every case of kidnapping in the region in the years that followed [the 1979 revolution]. The Iranians themselves, without batting an eyelid, would weave an elaborate tissue of lies, denying any connection with … the various hostage-taking episodes. Neither we nor the Americans were deceived.”

In 1986, he affirmed that “Israel’s policy is not to sell arms to Iran.” Kimche, who played an early role in the endeavor, similarly called Iran’s Islamic Revolution “grotesque.”

It is therefore puzzling that these officials would have been willing to send arms to Iran.

Why would American policymakers, who implemented a strong arms embargo even before

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117 McFarlane. Quoted in Draper, A Very Thin Line, 143-44.
118 Hamilton and Inouye, Report of the Congressional Committees Investigating the Iran-Contra Affair, 166.
119 Casey. Quoted in McFarlane, Special Trust, 51.
120 Peres, Battling for Peace, 211-12.
121 Peres. Quoted in Marshall et al., The Iran-Contra Connection, 173.
122 Kimche, The Last Option, 201.
Iranian-orchestrated bombings in Beirut killed hundreds of U.S. personnel, agree to send missiles and spare parts to Tehran? Equally curious was “Israel’s seemingly paradoxical role in helping to strengthen a regime that vilifies it as the ‘Little Satan’ and promises its would-be martyrs that the next stop after ‘conquering Baghdad’ is the ‘liberation of Jerusalem’.”

Decisionmakers

This dissertation focuses on Reagan, McFarlane, North, and Poindexter as the key American decisionmakers in the Iran initiative. President Reagan not only approved the shipments, but also “made an usually serious effort” of considering the policy.

While Reagan approved the deal, significant decisions were made by the NSC staff — principally McFarlane, North, and Poindexter. Draper notes that after their meeting at the hospital, “McFarlane, not the president, was in charge of what to do next. He was not serving a president who was likely to keep a close check on him or give him carefully thought-out instructions.”

Both McFarlane and North tended to work outside the normal confines of the policymaking process, formulating and implementing decisions beyond standard practices. North in particular became the subject of criticism from the Tower Commission, which “found no evidence that North had authority to agree to such an agenda.” Chief of Staff Regan echoed this general view, stating, “Much of what happened was hidden from the President.”

On the Israeli side, the classified nature of primary sources continues to blur the vision of analysts today. Still, enough is known to determine that the decision lay primarily with Peres,

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123 Sobhani, The Pragmatic Entente, 142.
124 Tower et al., The Tower Commission Report, 28; Draper, A Very Thin Line, 164; Hamilton and Inouye, Report of the Congressional Committees Investigating the Iran-Contra Affair, 168. McFarlane notes that the “President … had approved and backed the Iran initiative from the very beginning.” McFarlane, Special Trust, 6.
125 Draper, A Very Thin Line, 160.
126 Tower et al., The Tower Commission Report, 50.
127 Regan, For the Record, 25.
and that Foreign Minister Yitzhak Shamir and Defense Minister Rabin approved.\footnote{Bergman, \textit{The Secret War with Iran}, 115.}

\textbf{The United States: Shifts in the Balance of Threat}

U.S. policymakers discounted the future strategic risks of transferring arms to Iran principally because they believed that the Soviet Union posed an immediate and acute threat to their state’s interests. Specifically, American officials believed that the failing health of Khomeini, coupled with domestic turmoil in Iran, had set off a succession struggle that the USSR would exploit. Hoping to stave off that perceived threat (which was to prove unfounded, as the Soviets were overstretched in Afghanistan and held limited influence in Iran), American policymakers became willing to empower what they thought were moderate elements in the Iranian government. This section reviews Iran’s strategic importance to the Reagan administration and then discusses how the perceived shifting threat environment triggered the Iran initiative.

\textit{Strategic Importance}

U.S. policymakers had long regarded the Persian Gulf, and Iran specifically, as strategically vital. The United States had maintained close relations with Tehran under the shah, and its interest in the region did not diminish after the Islamic Revolution. American officials viewed Iran as “crucial in the containment of Soviet power” and, as such, were deeply fearful of Moscow’s designs on the Gulf.\footnote{Freedman, \textit{A Choice of Enemies}, 176; U.S. Central Command Combat Capabilities Analysis Group, “A Brief History of Russian and Soviet Expansionism,” 67. Afghanistan Collection, Digital National Security Archive. Gates recalled that this prospect even prevented Washington from applying pressure on Tehran in retaliation for its anti-American actions: “We suggested that while sustained military and economic pressure on Tehran might over time strengthen ‘moderates,’ it also could drive the Iranians closer to the Soviets for protection. And that was perhaps the single most significant deterrent.” Gates, \textit{From the Shadows}, 351.} 

Decisionmakers involved in the Iran initiative have continually emphasized the strategic
importance of Iran. In his Congressional testimony, McFarlane stated that the “importance of Iran derives, obviously, from its geography, sitting astride the lanes between the Soviet Union and the Indian Ocean and beyond. … Not only does it block the Soviet position, but it also sits astride the Gulf and is in a position to strangle the international economy by dint of interdicting oil flows through the Gulf.”  

Reagan too declared, “Iran’s geography gives it a critical position from which adversaries could interfere with oil flows from the Arab states that border the Persian Gulf. Apart from that geography, Iran’s oil deposits are important to the long-term health of the world economy.”

American fears of a Soviet-controlled Iran were exacerbated in December of 1979, when the Soviets invaded Afghanistan. While the United States objected to any Soviet expansion, it was doubly concerned that Afghanistan could prove a stepping stone to intervention in Iran.

North recalled that “with Russian troops in Afghanistan and Soviet weapons powering the Iraqi

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130 McFarlane, House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, Testimony of Robert C. McFarlane, Gaston J. Sigur, Jr., and Robert W. Owen, 273. See also McFarlane, Special Trust, 18. McFarlane has expounded that “access [to Iran] has been a Soviet objective for centuries. … And, apart from geography, Iran’s own oil deposits are critical to the long term health of the international economy. … Our interests in the Middle East — indeed those of all countries — are vital.” McFarlane, House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, Testimony of Robert C. McFarlane, Gaston J. Sigur, Jr., and Robert W. Owen, 632.

131 Reagan. Quoted in Marshall et al., The Iran-Contra Connection, 158. Poindexter similarly stated that the “crucial importance [of Iran] … is based on two factors. One is the immense oil supply that exists under the ground in that area of the world. Although today the United States does not receive that much oil out of the Persian Gulf area, it does go into other parts of the world, and clearly if that oil supply is endangered, it has an eventual impact on the United States.” Poindexter, House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, Testimony of John M. Poindexter, 212.

132 Goldman, “Soviet Policy Toward Iran,” 1-3. In 1981, Francis Fukuyama penned a report for the government in which he argued that it is “likely that the dominant mode of Soviet expansion will continue to be the aggressive exploitation of developments internal to the Persian Gulf, either in the form of interstate conflict (such as the Iraq-Iran war) or intrastate instability (such as the Iranian revolution).” Fukuyama, “The Soviet Threat to the Persian Gulf,” 2. Afghanistan Collection, Digital National Security Archive.
assault on Iran, they had the place surrounded.”

He continued: “Would Iran become a second Afghanistan? There was a time when that seemed possible, and maybe even likely. … For the potential spoils of victory in Iran were far, far greater than in landlocked resource-poor Afghanistan.”

Poindexter echoed, “I have felt … that the Soviet move into Afghanistan is an attempt to push on through eventually to the Indian Ocean.”

Reagan also noted that “[g]eography explains why the Soviet Union has sent an army into Afghanistan to dominate that country and, if they could, Iran and Pakistan.”

American officials clearly believed that the Soviets placed a high premium on controlling Iran. A 1985 report from the U.S. Central Command asserted that the Soviet Union sought to expand to the south in order to “influence the flow of oil from the Middle East to Western Europe and Japan. … The achievements of a breakthrough to the Persian Gulf, Arabian Sea, and Indian Ocean could place the Soviets in such a position of strategic strength that it would be increasingly difficult for the U.S. and the Western Alliance to challenge them successfully (perhaps militarily as well as politically) in the future.”

Poindexter concurred that the Soviets “historically have wanted to have a warm water port in the Indian Ocean. Strategically, that is very important to them … just from the standpoint of being able to control the flow of that oil to

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133 North, Under Fire, 45.
134 North, Under Fire, 46.
135 Poindexter, House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, Testimony of John M. Poindexter, 213.
136 Regan. Quoted in Marshall et al., The Iran-Contra Connection, 158.
137 U.S. Central Command Combat Capabilities Analysis Group, “A Brief History of Russian and Soviet Expansionism,” 81. Afghanistan Collection, Digital National Security Archive. See also Goldman, “Soviet Policy Toward Iran,” 8, 14. Congressional analysts agreed that “it would be a tremendous achievement for Moscow if Iran were transformed into an ally or client. Control of Iran’s oil and access to bases in Iran might make the USSR the dominant force in the region.” Goldman, “Soviet Policy Toward Iran,” 14.
the West.”¹³⁸

Swirling Rumors

While U.S. concerns about Soviet intervention in Iran were considerable in the years following the December 1979 invasion, decisionmakers came to regard the threat as immediate and acute in 1984 and 1985 when rumors of domestic unrest, Khomeini’s failing health, and a consequent succession struggle that the Soviets could exploit began to swirl.¹³⁹ Numerous policymakers and analysts have remarked on the salience of these factors in creating a perceived shift in the threat environment. Reagan, for one, noted that in July of 1985 “there were reports worldwide that the ayatollah was extremely ill. Iran’s protracted war against Iraq had reached a stalemate, the Iranian economy was in bad shape, and intelligence reports indicated that several factions had formed to jockey for control of Iran after the ayatollah’s death. From our point of view, reestablishing a friendly relationship with this strategically located country — while preventing the Soviets from doing the same thing — was very attractive.”¹⁴⁰ He continued that by late summer “news reports were saying that the ayatollah was so ill and feeble that he might not even live out the week. … Here was a bona fide opportunity to shape the future in the Middle East, take the initiative, and preempt the Soviets in an important corner of the world.”¹⁴¹ An exchange between Representative Henry Hyde and John Poindexter also proves illuminating:

¹³⁸ Poindexter, House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, Testimony of John M. Poindexter, 213.
¹³⁹ Congressional Research Service notes that many key decisionmakers, particularly in the NSC, “argued that the U.S. had important interests in the future orientation of Iran and significant change could be expected upon the death of Iran’s revolutionary leader, the Ayatollah Khomeini, that appeared likely to occur within the next few years. There were also concerns that the Soviet Union would extend its influence in Iran at Western expense, especially if the ongoing Iran-Iraq war resulted in an Iranian collapse.” Best and Maskell, “The Iran-Contra Affair,” 3-4.
¹⁴⁰ Reagan, An American Life, 504.
¹⁴¹ Reagan, An American Life, 506.
Hyde: Now, for the United States to turn away from that situation [of Khomeini’s failing health and the succession struggle in Iran] and not try to influence events would be to hand it over to the Soviet Union, which has the advantage of immediate — geographical immediacy and many troops mobilized on the border. The consequences of Khomeini dying and a struggle for power and that being influenced by the Soviet Union have immense consequences for the West; is that not true?

Poindexter: That is absolutely true. One of the reasons that we started pushing on the Iranian situation in June of 1985 with the draft NSDD that we prepared … was to get people in the U.S. Government focused on the issue.¹⁴²

A number of Fuller’s memos, which propelled the Iran initiative into action, touched extensively on these issues. In his missive to Casey and McMahon on 17 May, Fuller noted that the embargo policy “could also have the effect of driving Iran into a corner where the Soviets will be the only option left. … The possibility is no longer theoretical. Iran has, in fact, now begun moving toward some accommodation with the USSR.”¹⁴³ Fuller saliently noted that it was “imperative … that we perhaps think in terms of a broader and perhaps slightly riskier policy which will at least ensure greater U.S. voice in the unfolding situation. Right now — unless we are very lucky indeed — we stand to gain nothing, and lose more, in the outcome of developments in Iran, which are all outside our control.”¹⁴⁴

The influential NSDD that followed Fuller’s memo similarly (and erroneously) argued that changes in the regime were imminent and that the Soviet Union was in a position to exploit such developments:

¹⁴² House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, Testimony of John M. Poindexter, 214. North has echoed that the Americans “knew that the Ayatollah was very old. … And so the inevitable question arose: What happens when he dies? Doesn’t it make sense for us to try to achieve some kind of alliance with pragmatists or moderates in the government so we’ll have some leverage when a new regime takes over? And if no regime emerges, and the Ayatollah’s death is followed by absolute chaos, wouldn’t that be a powerful inducement for the Soviets to step in?” North, Under Fire, 49-50.
Dynamic political evolution is taking place inside Iran. Instability caused by the pressure of the Iraq-Iran war, economic deterioration and regime infighting create the potential for major changes in Iran. The Soviet Union is better positioned than the U.S. to exploit and benefit from any power struggle that results in the changes in the Iranian regime, as well as increasing socio-political pressures. In this environment, the emergence of a regime more compatible with American and Western interests is unlikely. Soviet success in taking advantage of the emerging power struggle to insinuate itself in Iran would change the strategic balance in the area.\textsuperscript{145}

Explicitly invoking the idea of immediacy, the NSDD continued that “our primary short-term challenge must be to block Moscow’s efforts to increase Soviet influence (now and after the death of Khomeini).”\textsuperscript{146} The NSDD is indeed remarkable for its language of the immediate and urgent: the report further noted that the “most immediate U.S. interests include … [p]reventing the disintegration of Iran and preserving it as an independent strategic buffer which separates the Soviet Union from the Persian Gulf [and l]imiting the scope and opportunity for Soviet actions in Iran, while positioning ourselves to cope with the changing Iranian internal situation.”\textsuperscript{147} Moreover, it stated, “Many of our interests will be difficult to achieve. But given the rapidity with which events are moving, and the magnitude of the stakes, it is clear that urgent new efforts are required.”\textsuperscript{148}

McFarlane has emphasized that the NSDD appeared to square with unfolding events in the region. He wrote that in the spring of 1985, domestic unrest in Iran seemed to increase the likelihood that the Iranian government would undergo significant change.\textsuperscript{149} Furthermore, these developments occurred at a time when the “Soviets had 26 divisions stationed on the northern

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\item McFarlane, Special Trust, 18.
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border … conducting daily exercises that involved the same tactics that would be used in a thrust toward the Persian Gulf. And to the East, 100,000 Soviet troops in Afghanistan could only heighten Iranian concerns about historic Soviet ambitions to achieve unfettered access to the open ocean and control of the Persian Gulf. “Adding to American fears, Rafsanjani announced in June of 1985 that his country “intend[ed] to increase and expand [its] relations with the Soviet Union”; that prospect was reinforced throughout the summer of 1985, as Moscow “stepped up arms deliveries to Iran.”

For their part, the Iranian interlocutors who sought the weapons stoked the flames of the Soviet threat. As discussed above, the Iranians continually invoked the specter of Soviet intervention. President Reagan even touted that the NSC “succeeded in opening up what seemed to be a promising second channel of communication with high-level people in the Iranian government, involving a relative close to one of these officials [Rafsanjani]; this relative seemed to share our concerns about the potential Soviet threat to Iran and wanted to patch up U.S.-Iranian relations.”

Spelling out the Logics

To reiterate, by the autumn of 1985, decisionmakers in Washington had become convinced that a significant change would soon be taking place in the Khomeini regime, and that the Soviets were poised to take advantage of that development. Though these beliefs were erroneous, they led U.S. policymakers to discount the future strategic risks of transferring arms to Iran as a means of blocking perceived Soviet advances on Tehran. This latter danger displaced

150 McFarlane, *Special Trust*, 18.
concerns about Iran’s anti-U.S. terrorism: the need to stop a Soviet intervention in Iran — an event considered calamitous, certain, and imminent — combined with the uncertainty of future terrorist attacks to make the Soviet threat appear more acute and immediate than the Iran one. (Still, American policymakers were aware of the tradeoff: in his April 1985 memo to Casey and McMahon, Fuller wrote, “We will have to balance the costs of defending US credibility and commitment in the face of terrorist attack [sic] against the … geostrategic gains to be won or lost for influence in Iran.”153) The American strategy ultimately centered on empowering “moderate” authorities in the Iranian government who could lead a post-Khomeini Iran that at a minimum remained anti-Soviet and at a maximum became pro-American. Larry Speakes, Reagan’s spokesman, confirmed that “Reagan’s justification for the arms shipment was that they would gain us leverage with the so-called moderate elements in Iran. I know that the president and perhaps McFarlane and Poindexter really believed that.”154

A number of decisionmakers have spelled out this logic explicitly. In a memo on 4 August 1986, North stated that there existed a “significant near term and long range threat from the Soviet Union” and that the “U.S. can help Iran cope with the Soviet threat.”155 He recalled that “by the mid-1980s, there were two additional factors that made the Soviet threat to Iran even more menacing. One was the Iran-Iraq War [and the] other threat to Iran was the Soviet invasion

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154 Speakes, Speaking Out, 279. Gates echoes, “As the arms deal went along, a central premise of supporters was that there was a ‘moderate’ faction in Tehran or an ‘opposition’ worth cultivating. This was the view of the Israelis and it was the view the NSC adopted.” Gates, From the Shadows, 398. See also Reagan, An American Life, 506.
155 North, House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, Testimony of Oliver North: Appendixes to Parts I and II, 4, 8. See also House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, Testimony of John M. Poindexter, 524.
of Afghanistan.”

North has explained:

Even those of us who supported going forward understood that it was a close call and a risky operation. There were no illusions. Was it a reasonable call? Yes, I think it was. As the health of Khomeini has declined over the past year, we have seen an increase in factional infighting in Tehran. This infighting has been sharpened by severe economic problems, as well as the war with Iraq. There have been numerous arrests. This factional infighting has implications for both the United States and the Soviet Union. It was the Administration’s judgment that any powerful Iranian faction seeking to reestablish ties with the West and willing to attempt to curtail Iranian support for terrorism was worth talking to. It was in that context that the judgment was made that providing a small amount of defensive weapons would give this faction some leverage in the internal struggle by suggesting that there were advantages in contact with the West.

He has aptly concluded, “The Soviet threat was why we wanted access to Iran, and why at least some members of Iran’s government were willing to deal with us.”

Poindexter affirmed this logic in his chronology of events, stating that:

Iran, the key to a region of vital importance to the West, is increasingly threatened by growing Soviet military and political influence along its borders and inside its territory. Over the course of the last two years, the Soviets and their surrogates have moved actively to gain influence in the Gulf: The Soviets believe that once Khomeini dies, they will have an excellent opportunity to influence the formation of a government in Tehran which serves Soviet strategic interests in the area. … Soviets may well be attempting to pursue their own revolution in Iran. … The increasing desperation brought on by the costs of the Iran-Iraq war has exacerbated Iran’s vulnerability to Soviet influence. … In short, the Soviets were far better positioned to significantly improve their influence in the region in 1985 when we were presented with an opportunity to open a dialogue with Iran.

He summarized, “One of our major objectives was to keep the Soviet Union out of Iran.”

McFarlane has also made similar arguments. In his memoirs, he noted that in 1985 the Soviet Union “was still our determined rival for power, control of resources, and political

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157 North, House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, *Testimony of Oliver North: Appendixes to Parts I and II*, 189.
159 House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, *Testimony of John M. Poindexter*, 825-27.
160 Poindexter, House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, *Testimony of John M. Poindexter*, 143.
influence on the world stage. Moscow had seized every opportunity in the previous 15 years to promote its interests whenever an unstable climate existed. … There were no guarantees in 1985 that Iran was not next on Moscow’s list. So I was willing to go ahead with the initiative, and said so."

The Hostages Factor

It is worth acknowledging the commonly-held view that the Iran initiative was principally an effort to free the hostages held in Lebanon. To be sure, the president and other U.S. decisionmakers were motivated in part by a desire to liberate the seven men. Reagan has recalled that he “wanted to explore any avenue that offered the possibility of getting the hostages out of Lebanon.” Those around the president have also cited his desire to free the hostages as an important factor in his decisionmaking. After a December 1985 meeting to discuss the initiative, Casey wrote to McMahon, “I suspect [President Reagan] would be willing to run the risk and take the heat in the future if this will lead to springing the hostages.”

And yet it is important to recognize that freeing the hostages was not a sufficient cause to send arms to Iran. A meeting between Peres and Reagan in October of 1984 proves illuminating in this regard: while the two men expressed concern about those held in Lebanon, they “agreed … that they were powerless to do anything for the hostages. … Reagan could do no more than

161 McFarlane, Special Trust, 33.
162 Reagan, An American Life, 505.
continue his ‘Operation Staunch’ and keep pressuring his allies not to sell weapons to Iran.”

Indeed, decisionmakers involved in the Iran initiative have repeatedly stressed that the perceived acute and immediate threat posed by the Soviet Union, rather than the hostages factor, ultimately compelled the administration to transfer arms to Tehran. North explains, “While the hostages were certainly on our minds, the real reason, the big reason we had come to Iran had to do with the broader concerns of American foreign policy. Today, of course, it sounds positively old-fashioned to speak of a Soviet threat, but in the spring of 1986 that danger seemed very real — especially in the Persian Gulf.” McFarlane has echoed that “we never intended a simple ransom arrangement” and that “our goals at the beginning had been larger, geostrategic, aimed at finding an opening to pragmatic elements in the regime of the fanatically anti-American Ayatollah Khomeini, an opening to people who might ultimately replace him.”

The United States: Risk Management

American decisionmakers believed that they could manage the strategic risks associated with transferring arms to Iran, which in turn influenced their willingness to discount those risks. This section first argues that ex ante risk management strategies — including costly signaling by Tehran and the ability of the United States to restrict the type and amount of weapons made available — increased the risk acceptance of U.S. decisionmakers. After reviewing these factors, this section discusses ex post risk management strategies also employed by officials in Washington. Though certainly significant, the risk management explanation carries less weight than that of the shift in the balance of threat: the Soviet threat was a sufficient cause for

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164 Segev, The Iranian Triangle, 131.
165 North, Under Fire, 44-45. Emphasis in the original.
166 McFarlane, Special Trust, 6.
approving weapons transfers to Iran, while risk management strategies complemented that motivation and were used primarily to shape the form of the initiative.

*Ex Ante Risk Management*

American policymakers pursued ex ante risk management strategies when determining whether to send weapons to Iran. To begin, decisionmakers in Washington perceived the Iranians’ willingness to meet with U.S. and Israeli officials as a costly signal. McFarlane noted in a July 1985 report, “I would think that, given the vulnerability of the Iranian interlocutor to our discreet blowing of his cover with Khomeini, ought to enable us to control [possible negative consequences of the initiative].”167 American officials further considered renouncements of terrorism a valuable costly signal. Draper notes that in August of 1985, American officials were compelled by the idea that “Iran would make a ‘series of gestures,’ including a different public rhetoric toward the United States, an end to terrorist attacks against U.S. targets, and an effort to convince the hostage holders in Lebanon to release one or more U.S. hostages.”168 The investigative Congressional committee similarly noted that “North’s notes of the meeting [on 27 November 1985] indicate that the United States was prepared to deliver 120 items … in exchange for all the hostages after the first delivery and a commitment by Iran of no future terrorism.”169

American policymakers also sought to manage future risks by placing restrictions on the types and amount of weapons made available to Iran. McFarlane recounted that he told the president, “If he chose to authorize this plan … I believe he ought to impose certain restrictions

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on the types of weapons sold: for instance, no major ‘end items’ … and no quantities sufficient to affect the military balance in the war with Iraq.”\textsuperscript{170} Reagan recalled that the administration was only willing to transfer “defensive weapons” and that the amount and type “would not alter the military balance with Iraq.”\textsuperscript{171} North echoed, “At the time, it seemed that selling a small amount of arms to Iran was worth the risk to try to make it all work.”\textsuperscript{172}

Moreover, decisionmakers in the administration sought to control which elements of the Iranian government would receive the weapons. Reagan stressed that the U.S. government “had seen to it that the defensive weapons that went to Iran never got into the hands of the people who held our hostages.”\textsuperscript{173} The president “was inclined to permit arms to be sent to Iran, so long as they went to anti-Khomeini forces.”\textsuperscript{174} This, of course, did not transpire, as the IRGC acquired most, if not all, of the weapons transferred.\textsuperscript{175}

These efforts to restrict the weapons made available to Iran and to control which elements within the government received those arms indeed turned out to be futile, if not foolish. Given the shadowy nature of the Iranian “moderates” and the lack of reliable information about events in Tehran, it is difficult to imagine that U.S. officials considered either of these possibilities realistic, let alone useful in managing future strategic risks. Still, American policymakers implemented and emphasized these strategies, and seemed truly to believe that such measures could help limit adverse future consequences. This, in turn, increased U.S. officials’ risk tolerance, further compelling them to transfer weapons to a recognized adversary.

\textsuperscript{170} McFarlane, \textit{Special Trust}, 34.  
\textsuperscript{172} North, \textit{Under Fire}, 31.  
\textsuperscript{173} Reagan, \textit{An American Life}, 529.  
\textsuperscript{174} Draper, \textit{A Very Thin Line}, 167.  
\textsuperscript{175} Best and Maskell, “The Iran-Contra Affair,” 20; Draper, \textit{A Very Thin Line}, 170.
Ex Post Risk Management

American officials’ perception that they could manage risks ex post contributed to their risk acceptance. These decisionmakers believed that a strategy of sequentialism — in which no arms were delivered until hostages were released — would mitigate risk. North’s 30 November 1985 plan proves illustrative: he proposed to Poindexter a strategy in which “arms were to be delivered in five installments spread over a 24-hour period. Each installment was to result in the release of one or two hostages, so that in the end all five U.S. citizens held in Beirut and a French hostage would be freed. If any installment did not result in a hostage release, all deliveries would stop.”\footnote{176}{Tower et al., The Tower Commission Report, 34.}

Indeed, decisionmakers were guided by the idea that they could always put a halt to the deliveries: Attorney General Edwin Meese saliently explained his support for the initiative by stating that the “risks would be fairly short-term because if it did not work we would be able to stop it; if this didn’t produce results after, say, the first foray, [then] the thing would be stopped.”\footnote{177}{Meese. Quoted in Draper, A Very Thin Line, 248-49.}

Alternative Explanation: The United States — Domestic Politics

Concerns over domestic politics did not play a significant role in affecting the risk assessments of American officials. Analysts cannot reasonably argue that members of the NSC — McFarlane, North, and Poindexter — accepted the future risks of arms transfers in order to remain in office or address internal threats. Nor could Reagan, a second-term president, appease coalition members or preserve his tenure by accepting the risks of arming Iran.

Analysts may contend that the hostage issue created domestic pressures on Reagan. The victims’ families publicly lobbied the president to secure the Americans’ release, and the media
ran periodic updates on the fate on those captured. To be sure, the administration was certainly attentive to such matters: Reagan’s chief of staff suggested that “[n]o government in history can have been more sensitive to the media, or more driven by the printed word and the television image, than the Reagan administration.” What is more, the president seemed to have a visceral, personal need resolve the problem: he noted that “[n]o problem was more frustrating for me when I was president than trying to get the American hostages home” and that he “spent many, many hours late at night wondering how we could rescue the hostages, trying to sleep while images of those lonely Americans rolled past in my mind.”

But these concerns created no significant domestic threats that demanded corrective action. While tremendous public pressure dogged President Jimmy Carter’s approach to the 1979 hostage crisis, Reagan faced no equivalent attention or demands regarding the seven men held in Lebanon. Moreover, the hostages issue held very distinct political implications for each of the two men. Carter was seeking reelection during the Iran hostage crisis, and his fate at the polls was in part to be determined by the Americans languishing in captivity in Tehran. Reagan, by contrast, was not facing reelection, and was not subjected to demands from special interest groups or mobilized citizens; running the strategic risks associated with arming Iran could neither address domestic agitation nor extend his time in office. Thus, while the president may have been haunted by the fact that “he had defeated Jimmy Carter in large measure because the Iranians were holding forty-four American hostages in our embassy in Tehran during the 1980 Presidential campaign,” Reagan did not act out of comparable concern for domestic politics.

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178 Regan, *For the Record*, 6.
180 Regan, *For the Record*, 23. See also North, *Under Fire*, 47.
anything, his willingness to discount those security risks actually courted political risk, as he not only sent arms to the men who were ultimately responsible for kidnapping U.S. civilians and killing American soldiers, but did so in a way that circumvented Constitutional and legal guidelines.

**Alternative Explanation: The United States — Trust**

The trust hypothesis cannot explain why American policymakers discounted the future strategic risks associated with transferring arms to Iran. To begin, there is a lack of collective identification between the two states: the U.S. is a secular, Western country with an elected democratic government, while Iran is an authoritarian Islamic theocracy. Interpersonal connection also fails to elucidate the risk acceptance, as U.S. officials were decidedly distrustful of the lead Iranian contact, Ghorbanifar. Ghorbanifar had briefly worked with the CIA from 1980 to 1982, but by 1983 the agency “had decided ... to have nothing more to do with him on the ground that he was untrustworthy. Ghorbanifar, however, came back to haunt the CIA. In March 1984, after Ghorbanifar had allegedly fabricated information concerning an assassination plot against U.S. presidential candidates, he was given and failed a polygraph test. In June 1984, he was examined again in relation to information he claimed to have about the whereabouts of the U.S. hostages in Lebanon — with the same result. In July 1984, the CIA issued a ‘burn notice’ to other government agencies to stay away from him.”¹⁸¹ Policymakers in the White House surely knew about the burn notice, limiting any possibility that they could have been motivated by trust alone. Nor did the other Iranian contacts garner particular affection or trust from the Americans: while North may have been encouraged by Kangarlou’s position and apparent connections to

officials in Tehran, it was Kangarlou’s willingness to meet and promised ability to free the hostages — a valuable costly signal — that increased the risk tolerance of American decisionmakers.

**Alternative Explanation: The United States — Prestige**

The prestige hypothesis similarly does not explain what compelled U.S. decisionmakers to discount the future strategic risks of providing Iran with munitions. Not only was the United States a superpower at the time of the initiative, but the clandestine nature of the program signaled that it was not intended for public consumption. To the contrary, the initiative ran the risk of harming American prestige and reputation, as it demonstrated the country’s disregard for its own security policies and commitments.

**The United States: In-Case Variation**

Members of the Reagan administration were initially unwilling to discount the future strategic risks associated with transferring arms to Iran. This aversion was so strong that Washington implemented a crippling arms embargo — Operation Staunch — against Tehran, and worked actively to undermine Iranian military efforts against Iraq. Furthermore, officials at the CIA had previously denied similar requests from Iranian representatives: the chief of the Near East Division in the Operations Directorate has relayed that by the end of 1984, the agency “had been receiving thirty to forty requests every year from Iranians and Iranian exiles ‘to provide us with very fancy intelligence, very important internal political insight, if we in return can arrange for the sale of a dozen Bell helicopter gunships or 1,000 TOW missiles or something else that is on the contraband list.’”¹⁸² At the time of these refusals, there existed no acute and

immediate threat to U.S. interests that such an initiative could address. If anything, it was Iran that posed a significant threat to American interests, as Tehran’s proxies in Lebanon targeted U.S. personnel and facilities with devastating lethality.

While U.S. concerns over Soviet designs on Iran were considerable in the years following Moscow’s December 1979 invasion of Afghanistan, decisionmakers only came to regard the threat of Soviet intervention in Iran as immediate and acute when rumors of domestic unrest and Khomeini’s failing health began to swirl in 1984 and 1985. Fearing that the Soviets would exploit the ensuing succession struggle, American policymakers discounted the future strategic risks associated with arms transfers to Iran in order to counter the perceived immediate and acute threat posed by the USSR. This variation highlights the significance of shifts in the balance of threat in determining future risk acceptance.

The willingness of U.S. decisionmakers to transfer arms to Iran was also influenced by the Iranians’ costly signaling. President Reagan, McFarlane, and other top officials agreed to transfer arms only after the “moderate” Iranian interlocutors met with American officials and pledged to secure the release of the U.S. hostages held in Lebanon; though the Iranians repeatedly failed to free the seven men from captivity, the release of two Americans, coupled with the Iranians’ ongoing pledges that more hostages would soon be liberated, kept U.S. risk aversion in check. This variation underscores the explanatory power of the risk management hypothesis.

**The United States: Conclusion**

The decision to supply Iran with arms violated America’s own policy preferences. Indeed, Reagan writes that when he learned of the initiative, his “first reply to this proposal was:
No, we don’t do business with countries that sponsor terrorism. I told Bud to turn down the proposal.”

As demonstrated throughout the preceding discussion, American officials clearly understood the strategic risks associated with the policy and sought to avoid possible negative outcomes.

And yet Reagan, North, Poindexter, and McFarlane ultimately discounted those future risks in order to counter the short-term danger that the Soviet Union posed to American interests. U.S. officials recognized the myopic nature of this decisionmaking at the time: North testified that he and Casey “regarded this as an imaginative solution to some-short term problems” and that a “number of the initiatives … assumed that these were immediate short-term.”

To be sure, U.S. decisionmakers were concerned about the fate of the hostages. A number of sources state that the Iran initiative simultaneously sought to stave off the Soviets and find a way to save the Americans held in Lebanon. Regan has affirmed this interpretation: “I myself believed that the potential benefits — not only the return of the hostages, but also the opening of a dialogue with a faction that might one day come to power in one of the most strategically important countries in the world — out-weighed the risk. Of course I did not at that time know

183 Reagan, An American Life, 505-6.
184 North, House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, Continued Testimony of Oliver L. North and Robert C. McFarlane, 52.
185 A CRS report, for example, concluded that the “administration intended to improve relations with Iran while simultaneously seeking Tehran’s assistance in obtaining the release of U.S. hostages held in Lebanon.” Best and Maskell, “The Iran-Contra Affair,” Summary. The Tower Commission echoed, “Two persistent concerns lay behind U.S. participation in arms transfers to Iran. First, the U.S. government anxiously sought the release of seven U.S. citizens abducted in Beirut. … Second, the U.S. government had a latent and unresolved interest in establishing ties to Iran. Few in the U.S. government doubted Iran’s strategic importance or the risk of Soviet meddling in the succession crisis that might follow the death of Khomeini. For this reason, some in the U.S. government were convinced that efforts should be made to open potential channels to Iran.” Tower et al., The Tower Commission Report, 18-19. See also Wroe, Lives, Lies, and the Iran-Contra Affair, 83; Draper, A Very Thin Line, 317.
all the secrets. Neither did the president.”

But U.S. officials did not act until they believed the Soviets were poised to exploit the succession struggle. Draper summarizes that the “question first arose whether the United States should adopt a different attitude toward Iran for long-range geopolitical or geostrategic reasons. The hostages-for-arms predicament came later.” North’s explanation bears repeating: “While the hostages were certainly on our minds, the real reason, the big reason we had come to Iran had to do with the broader concerns of American foreign policy. Today, of course, it sounds positively old-fashioned to speak of a Soviet threat, but in the spring of 1986 that danger seemed very real — especially in the Persian Gulf.” The belief of U.S. policymakers that they could manage those risks complemented this motivation and shaped the form of the transfers.

The Reagan administration could have pursued alternative policies to prevent a Soviet-controlled Iran. Fuller in fact proposed an array of actions in his 17 May memo, including “moving much closer to Iraq to bring the war to a quicker end” and instructing America’s European and South American allies to cultivate a “Western influence … during this critical period in Iran.” Shultz also suggested a number of alternative strategies: in his response to the June 1985 NSDD, he wrote to McFarlane, “[W]e should not leave Iran only a Soviet option. Therefore, we should follow a two track policy: continue to restrain arms flows and to support efforts to mediate, as a way to end the fighting, while also encouraging the [redacted] to broaden

\[186\] Regan, For the Record, 31.
\[187\] Draper, A Very Thin Line, 121.
\[188\] North, Under Fire, 44-45.
their commercial contacts to reduce Iran’s isolation and to offer an alternative to the Soviets.”

The United States also could have pursued an intelligence-sharing program with Tehran. Such a program would not have been unprecedented: from 1982 to 1983, the CIA provided the Khomeini government with intelligence about Tudeh party activities in Iran. Instead, decisionmakers in Washington chose to send arms to Tehran, discounting the future strategic risks of transferring weapons to a recognized adversary.

<table>
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<th>Hypothesis</th>
<th>Predictions Met?</th>
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<tr>
<td>Shifts in the Balance of Threat</td>
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<td>Fear of Soviet exploitation of succession struggle</td>
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<td>Risk Management</td>
<td>Yes</td>
<td>Ex Ante: Iranians’ willingness to meet and to renounce terrorism; U.S. limits type and amount of weapons transferred Ex Post: Sequential operation that could be terminated if Iran violated agreements</td>
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<tr>
<td>Domestic Politics</td>
<td>No</td>
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<tr>
<td>Trust</td>
<td>No</td>
<td>U.S. is secular, Western country with an elected democratic government; Iran is an authoritarian Islamic theocracy</td>
</tr>
<tr>
<td>Prestige</td>
<td>No</td>
<td>United States was reigning superpower; initiative was clandestine; risk of harming American reputation</td>
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**Israel: Shifts in the Balance of Threat**

This section argues that Israeli leaders discounted the future strategic risks associated with transferring arms to Iran principally to counter a perceived threat posed by Iraq. It begins by

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reviewing Israeli strategic doctrine and showing why the Israelis valued their alliance with Iran under the shah. This section then demonstrates that when the Iran-Iraq War broke out, Israeli policymakers believed that Iraq would quickly prevail and subsequently imperil Israeli security. As such, Israeli officials decided to transfer arms to their adversary, Iran. This section concludes by arguing that the 1985-1986 Iran initiative was a continuation of the strategic logics that had compelled Israeli officials to discount future risks five years prior.

**Israeli Strategic Doctrine**

Israeli strategic policy during the 1980s was in many ways a reflection of David Ben Gurion’s “periphery doctrine.” The doctrine set forth that Israel was encircled by hostile Arab states and it therefore should forge alliances with countries on the periphery of the Arab Middle East, including Turkey, Ethiopia, and Iran.192 Guided by this principle, Israeli leaders forged close ties with the Shah of Iran; the two countries shared a number strategic goals, which “centered on resisting Soviet encroachment in the area, frustrating Iraqi expansionism, checking radical terrorism threatening both Israel and Iran, and bolstering moderate Arab regimes like those in Egypt and Jordan.”193 Israel and Iran also had strong trade and economic ties, which were worth nearly $200 million by 1977.194

Iran proved a valuable ally as it allowed Israel to “leap over the wall of Arab hostility.”195 As such, Israeli leaders were devastated when the post-shah government denounced the Jewish State and abandoned the relationship. Adhering to the periphery doctrine, they continued to believe that Iran remained a key strategic state in the region: Peres explained that “Iran’s
geostrategic importance … had not altered simply because of the change of regime in Tehran.”

Sharon similarly remembered that while in Washington in September of 1981, he told Secretary of State Alexander Haig, Casey, and Weinberger that “of course no one could accept the fanatical and extremist ideology of the Ayatollah Khomeini, but that did not negate the importance of Iran as a key country in the region.”

An opportunity for a limited rapprochement emerged in September of 1980 with the outbreak of the Iran-Iraq War. Armed by the Soviets, Iraq’s military punished Iranian forces, which had become feckless as a result of the post-shah purges and the American-imposed arms embargo. Fighting with poorly-maintained American military equipment, the Iranian army appeared desperate and on the precipice of defeat.

Springing into Action

Israel sprang into action to aid its erstwhile ally. Only three days after Iraqi troops invaded Iran, Israeli Foreign Minister Moshe Dayan held a press conference to “urge the United States … to forget the past and help Iran keep up its defenses.” Unwilling to count on American aid to Iran, the Israelis within days began shipping “several thousand dollars worth of tires to Iran for their fleet of F-4 aircraft.” Le Monde reported that on 2 October 1980 “a few

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196 Peres, Battling for Peace, 212.
197 Sharon, Warrior, 412.
198 Black and Morris, Israel’s Secret Wars, 328; Bergman, The Secret War with Iran, 40-41; Klieman, Israel’s Global Reach, 159.
199 Klieman, Israel’s Global Reach, 157.
200 Parsi, Treacherous Alliances, 104-5.
Scorpion tanks and 250 tires for F-4 jets were flown by Boeing 747 to Iran.”202 These transfers were not insignificant: Tehran “particularly needed to strengthen its air force, in order to challenge current Iraqi air supremacy.”203 Trita Parsi notes that in total, “roughly 80 percent of the weaponry bought by Tehran immediately after the onset of the war originated in Israel.”204

Historians have reported other, more extensive forms of aid as well. Parsi relays that Iranian and Israeli officials met in Zurich after the outbreak of the war and “discussed numerous proposals, including an agreement that would allow Israeli technicians to train the Iranian army in retooling and refitting Iran’s American-made weapons for Israeli-made parts. In Washington, Israel’s ambassador to the United States, Ephraim Evron, lobbied Secretary of State Edmund Muskie to soften the Carter administration’s stance on arms sales to Tehran while relaying Tel Aviv’s concerns about the implications of an Iraqi victory.”205 Nader Entessar reports that “some Israeli military advisors even went to the front line of the Iran-Iraq war to evaluate first hand Iran’s capabilities and needs for spare parts and weapons.”206

Israeli sales to Iran were “in clear violation of written agreements with the U.S.”207 According to Carter’s National Security Advisor, Zbigniew Brzezinski, the Americans learned in November of 1980 that “much to our dismay … the Israelis had been secretly supplying American spare parts to the Iranians, without much concern for the negative impact this was having on our leverage with the Iranians on the hostage issue. Muskie and I discussed this at some length and decided that the Secretary would make a strong demarche to the Israelis, since

202 Souresrafil, Khomeini and Israel, 60.
203 Bahbah, “Arms Sales: Israel's Link to the Khomeini Regime,” 212.
204 Parsi, Treacherous Alliances, 106.
205 Parsi, Treacherous Alliances, 105.
206 Entessar, “Israel and Iran’s National Security,” 7. See also Souresrafil, Khomeini and Israel, 61.
this was obviously undercutting our sensitive efforts. He did so, and, as far as I know, at least for a while, the Israelis held back.”

The cessation, however, proved temporary: despite a continuing American-ordered embargo, Israeli arms shipments to Iran resumed immediately after the release of the U.S. hostages in January of 1981. That month, Iranian representatives told their Israeli contacts that the “continuing war between Iran and Iraq has created an immediate requirement for a continuous and organized supply of spare parts and weapons to back up the current needs of the Iranian Defense forces.” Israel responded generously: after the hostages’ release, the Jewish State sent $70 million worth of “ammunition, refurbished jet engines, spare parts for U.S.-built M-48 tanks, and additional aircraft tires.” In July of 1981, another deal arranged for Israel to transfer $200 million in Phantom Jet tires, artillery, mortars, and ammunition. Also in 1981, Israel sold Iran $135 million of Hawk anti-aircraft missiles, mortars, ammunition, and other equipment. Again, this aid was critical to developments in the Iran-Iraq War, as it helped Iran come back from the brink of defeat. Behrouz Souresrafil notes that the Iranian recovery in the spring of 1981 “would have not been possible without Israeli military help. The military aid by Israel was estimated at about $250 million. In other words, Iran, without Israeli help, could not achieve any victory.”

The transfers continued for the next two years. In 1982 — the same year that Iranian-

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210 Bergman, *The Secret War with Iran*, 43-44.
214 Souresrafil, *Khomeini and Israel*, 78.
backed forces began killing IDF troops in Lebanon — Israel sold Iran ammunition, Hawk and TOW missiles, and spare parts for aircraft.\textsuperscript{215} The U.S. State Department reported that by May of 1982, Israel had “sold up to $27 million in military equipment to Iran for its war with Iraq.”\textsuperscript{216} That same month, Sharon told the \textit{Washington Post} that “Israel had supplied Iran with tires and spare parts for U.S.-made F4 Phantom jets and ‘maybe some munitions.’”\textsuperscript{217} Again, the F-4 parts were seen as “vital to keeping Iran’s air force in the air.”\textsuperscript{218} Sharon also told American policymakers that Israel had signed another agreement with Iran to transfer “tens of millions of dollars” worth of mortars, artillery, and shells to Tehran.\textsuperscript{219} On 6 January 1983, Israeli state-owned companies agreed to arms transfers that included Sidewinder air-to-air missiles, radar equipment, and forty thousand mortar rounds.\textsuperscript{220} By the end of 1983, Israel had sold around $500 million in arms to Iran.\textsuperscript{221} Though the arms transfers stopped in 1984 — the Iranian officials charged with procuring the arms were executed during the continuing purges — they would resume a year later as part of the Iran initiative.\textsuperscript{222}

It is important to note that officials in Washington continuously opposed the arms transfers. Not only did the United States maintain its embargo against Iran, but by March of 1982 it had also “begun to provide Saddam Hussein with intelligence and military support.”\textsuperscript{223} Israeli action was therefore in contravention of U.S. policy, and Washington objected vociferously; a

\begin{itemize}
  \item \textsuperscript{215} Bahbah, “Arms Sales: Israel’s Link to the Khomeini Regime,” 212.
  \item \textsuperscript{216} Nokes, “Israel Sends Military Equipment to Iran,” \textit{Associated Press}, 28 May 1982.
  \item \textsuperscript{217} Nokes, “Israel Sends Military Equipment to Iran,” \textit{Associated Press}, 28 May 1982.
  \item \textsuperscript{218} Nokes, “Israel Sends Military Equipment to Iran,” \textit{Associated Press}, 28 May 1982.
  \item \textsuperscript{219} Segev, \textit{The Iranian Triangle}, 6.
  \item \textsuperscript{220} Sobhani, \textit{The Pragmatic Entente}, 141-42.
  \item \textsuperscript{221} Parsi, \textit{Treacherous Alliances}, 107; Marshall et al., \textit{The Iran-Contra Connection}, 173; Klieman, \textit{Israel's Global Reach}, 159; Souresrafil, \textit{Khomeini and Israel}, 68.
  \item \textsuperscript{223} Parsi, \textit{Treacherous Alliances}, 113.
\end{itemize}
State Department spokesman even went public with Foggy Bottom’s displeasure, telling the press in May of 1982, “We were asked to approve shipment of some items under U.S. control, but we did not give our approval. … We also expressed the strong hope that Israel would not ship any other items.”

In order to deceive American officials, the Israeli shipments often “were disguised by funneling them through European arms dealers, and this made it difficult for the Americans to trace them.”

What could have compelled Israel to disregard the express wishes of the United States? More saliently, what could have led the Jewish State to provide such arms and parts to Iran, its recognized adversary?

Lesser of Two Dangers

The principal reason that Israeli leaders discounted the future strategic risks of sending arms to Iran was their perception that Iraq posed an immediate and acute threat to Israel’s interests. While Israeli decisionmakers recognized Iran as an adversary, they believed that Iraq posed a greater, and more imminent, danger.

Israeli leaders considered Iraq a more dangerous adversary than Iran for a number of reasons: Baghdad had participated in three major wars with Israel, had expelled around two-hundred-thousand Jews from Iraq in the 1950s, and, having refused to sign an armistice, remained formally at war with the Jewish State. Saddam Hussein also “envisioned Baghdad as the focus of an Arab front against the peace process with Israel” and consequently supported

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Palestinian terrorist organizations.\textsuperscript{227}

Furthermore, Israeli leaders held existential concerns about the Iraqi nuclear program, which they believed was “destined primarily for use against Israel.”\textsuperscript{228} Israel had good reason to fear the Iraqi weapons program: recently declassified documents show that Saddam Hussein believed that Iraq could “use the resulting deterrent power [of an atomic weapon] to counteract Israeli threats of nuclear retaliation, and thereby enable a ‘patient war’ — a war of attrition — that would reclaim Arab lands lost in the Six-Day War of 1967. As the Iraqi leader put it, nuclear weapons would allow Iraq to ‘guarantee the long war that is destructive to our enemy, and take at our leisure each meter of land and drown the enemy with rivers of blood.’”\textsuperscript{229}

Alarmed by the Iraqi nuclear project, Israeli Prime Minister Menachem Begin — who called Iraq the “bloodiest and most irresponsible of all Arab regimes” — endeavored to prevent its fruition.\textsuperscript{230} In addition to an array of operations in the late 1970s to sabotage the program, Israeli forces on 7 June 1981 destroyed the reactor core at Osiraq and nuclear installations nearby.\textsuperscript{231} Reports have suggested that the Israeli attack was actually carried out using Iranian intelligence.\textsuperscript{232}

Implacable Iraqi animosity toward Israel, coupled with Baghdad’s quest for atomic weapons — which continued after the bombing of Osiraq — led Israeli decisionmakers to deeply


\textsuperscript{228} Black and Morris, \textit{Israel’s Secret Wars}, 332-33. Baghdad began developing its nuclear program in the 1960s, and in 1976 received from France two reactors, Osiraq and Isis. The Osiraq reactor was designed to use highly enriched uranium in large quantities, potentially enabling the Iraqis to create what Saddam called an “Arabic atomic weapon.” Richelson, \textit{Spying on the Bomb}, 318-19, 321; Eiel Solingen, \textit{Nuclear Logics}, 143, 146.

\textsuperscript{229} Brands and Palkki, “Saddam, Israel, and the Bomb,” 133.

\textsuperscript{230} Brands and Palkki, “Saddam, Israel, and the Bomb,” 155.


\textsuperscript{232} Parsi, \textit{Treacherous Alliances}, 107; Entessar, “Israel and Iran’s National Security,” 8.
fear Iraq.\textsuperscript{233} As such, when it appeared as though Iraq might defeat Iran, Israeli leaders believed that a shift in the balance of threat was occurring. Iraqi policymakers themselves acknowledged the acute and immediate threat posed to Israel by an Iranian defeat: in September of 1980, “one Iraqi official predicted that seizing disputed territories from Iran would ‘move Iraq into a big and dangerously effective position [to attack Israel].’”\textsuperscript{234} Saddam himself presciently stated that Israel “‘cannot tolerate Iraq walking out victorious’ from its war with Iran … because ‘once Iraq walks out victorious, there will not be any Israel.’”\textsuperscript{235}

Israeli officials thus discounted the future strategic risks associated with transferring arms to Iran as a means of countering the dangers of an Iraqi victory. This was an immediate concern following the outbreak of war; Israeli analysts genuinely feared that Iran would not be able to withstand the Iraqi assault, and that only by propping up the regime in Tehran could Israel protect itself against the breaking wave of Iraqi aggression. Parsi summarizes that Israel “regarded the war with great concern. Iran appeared weak, and an Iraqi victory would leave Israel in a far more vulnerable position.”\textsuperscript{236} With victory, Baghdad would “become the undisputed hegemon over the Persian Gulf, with the world’s third-largest oil reserves and an army more than four times the size of Israel’s. It would make the threat of the ‘eastern front’ worse than ever before.”\textsuperscript{237}

Israeli officials have acknowledged this reasoning. Kimche explained that “[s]topping Saddam was paramount, and if ‘that meant going along with the request for arms by the Iranians, \textsuperscript{238}

\begin{itemize}
\item \textsuperscript{233} Alpher, “Israel and the Iran-Iraq War,” 163; Richelson, \textit{Spying on the Bomb}, 323; Solingen, \textit{Nuclear Logics}, 147.
\item \textsuperscript{234} Brands and Palkki, “Saddam, Israel, and the Bomb,” 154.
\item \textsuperscript{235} Brands and Palkki, “Saddam, Israel, and the Bomb,” 154-55.
\item \textsuperscript{236} Parsi, \textit{Treacherous Alliances}, 104.
\item \textsuperscript{237} Parsi, \textit{Treacherous Alliances}, 104. See also Alpher, “Israel and the Iran-Iraq War,” 155.
\end{itemize}
and that could prevent an Iraqi victory, so be it.”238 Entessar relays that by “October of 1980, Dayan had concluded that without the delivery of American-made weapons to the Islamic Republic, Iraq would achieve its military objectives of defeating the disorganized and militarily decimated Iran.”239

These logics persisted even after Iran was able to take the offensive, as Israeli leaders maintained acute fears of an Iranian defeat. This fear was reinforced as Iraqi military prowess seemed to increase with the continuation of the war: Segev notes that the “Iraqi army had grown dramatically. It now had some 40 divisions — more than the combined strength of Syria, Jordan, and Egypt. It had also gained experience and expertise in the creation, operation, and maintenance of large forces. … Adding the experience Iraq now had in sending expeditionary forces to Jordan and Syria in all of their wars with Israel, it was easy to reach the conclusion that an Iraqi victory would be a real threat to Israel’s existence.”240 A New York Times article from August of 1981 read, “Diplomatic sources, in discussing Israel’s motivations, said that Prime Minister Menachem Begin was willing to provide spare parts to Iran because of an overwhelming Israeli desire not to see Iraq win the war that began last September.”241 That same month, an Israeli official explained Israel’s aid to its “apparent enemy [Iran]” by stating that “Iraq is an avowed enemy” that “‘spearheads’ diplomatic, propagandistic, and military campaigns against Israel using ‘oil blackmail,’ support for Palestinian guerrillas (specifically the Arab Liberation Fund), and, most worrisome to him, a strong military and a nuclear program.”242

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238 Kimche. Quoted in Parsi, Treacherous Alliances, 104.
239 Entessar, “Israel and Iran’s National Security,” 7. See also Souresrafil, Khomeini and Israel, 60.
240 Segev, The Iranian Triangle, 21-22.
During his visit to Washington in May of 1982, Sharon echoed that Israel “had supplied Iran with arms and ammunition because it viewed Iraq as ‘being dangerous to the peace process in the Middle East.’”\(^{243}\) He told the *Washington Post* that Iraq was “Israel’s enemy” and “one of the most radical countries of the region.”\(^{244}\)

To be sure, the Israelis did not need the Iranians to win: they sought at a minimum to ensure that Tehran did not lose, and at a maximum to preserve a stalemate that would impose costs on both combatants. Israel certainly benefited from the opportunity to “t[ie] down Iraq’s legions around the Shatt al-Arab” and “force the Arab countries, particularly those with Sunni regimes, to turn their attention from Israel, on the western perimeter of the Arab world, to Iran on the east.”\(^{245}\) And yet the decision by Israeli officials to send arms to Iran principally reflected their belief that an Iraqi victory posed an immediate and acute threat to Israeli interests.

*A Continuation of Logics*

Israel’s role in the Iran initiative was a continuation of these strategic logics. The brief halting of arms shipments in 1984 did not diminish the perception of Israeli leaders that an Iraqi victory would imperil their state’s interests. Thus, when Iranian leaders “desperately wanted U.S.-origin TOW and HAWK missiles in order to counter Iraq’s chief areas of superiority” in the autumn of 1984, the Israelis assented soon thereafter.\(^{246}\)

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\(^{245}\) Alpher, “Israel and the Iran-Iraq War,” 157-58; Klieman, *Israel’s Global Reach*, 160. John Miglietta similarly explains that “assisting Iran in fighting the war with Iraq served to tie down Iraqi military forces and drain the country economically, while at the same time orientating Arab hostility away from Israel.” Miglietta, *American Alliance Policy in the Middle East*, 158-59. See also Sobhani, *The Pragmatic Entente*, 150; Draper, *A Very Thin Line*, 222.

A number of Israel decisionmakers involved in the Iran initiative have confirmed that they urgently sought to ensure that Iran would not lose the war with Iraq. Kimche has written, “I am still convinced that we had a duty to embark on the Iran operation when the opportunity presented itself … and so tilting the balance of power in the Gulf against aggressive Iraq.”

Officials even believed that a stalemate could counter the threat from Baghdad. Shamir, who was foreign minister during the arms transfers, contended that “Iran’s strategic utility for Israel rested in that country’s continuing war with Iraq, an Arab enemy state.” Rabin echoed that Iran’s ability to continue fighting in the war was “in Israel’s strategic interest. … With the Iran-Iraq war, a balance of threat has been created for Israel.”

Evidence of this Israeli reasoning can also be found in declassified American documents. North, for example, wrote to McFarlane and Poindexter on 5 December 1985, “In discussing the matter with the Israelis, they indicated that their objectives” included the need to “[d]eliver sufficient military materiel to ensure that the Iranian military does not collapse under the pressure of an increasingly effective Iraqi military effort.” In January of 1986, North also noted that the Israelis were “convinced that the Iranians are … desperate for military materiel, expertise and intelligence” and that the provision of arms could allow Israel to “coercively influence near-term events.” A cover letter to the 17 January Finding, authored by Poindexter, stated that the “Israelis are very concerned that Iran’s deteriorating position in the war with Iraq, the potential for further radicalization in Iran, and the possibility of enhanced Soviet influence in

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247 Kimche, The Last Option, 220.
248 Sobhani, The Pragmatic Entente, 150.
249 Rabin. Quoted in Sobhani, The Pragmatic Entente, 149.
250 House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, Testimony of John M. Poindexter, 476.
251 North. Quoted in Draper, A Very Thin Line, 244.
the Gulf all pose significant threats to the security of Israel. They believe it is essential that they act to at least preserve a balance of power in the region.”

Israel: Risk Management

Israeli decisionmakers’ perception that they could manage the risks associated with transferring arms to Iran increased their willingness to discount those risks. These leaders pursued ex ante risk management strategies in two distinct ways: they sought American complicity, and interpreted Iranian willingness to meet as costly signaling. Israeli leaders, like their American counterparts, also engaged in an ex post risk management strategy of being able to terminate the arms supply if the initiative seemed to become too dangerous.

Ex Ante Risk Management

Israeli leaders sought to manage the strategic risks associated with transferring weapons to a recognized adversary by gaining the approval of American policymakers. As detailed above, Israeli decisionmakers not only lobbied U.S. officials for permission to send arms to Iran, but also hesitated to act without explicit U.S. sanction. By bringing in the United States as a complicit partner in the initiative, Israeli leaders both shifted responsibility to a global power and mitigated their state’s vulnerability that resulted from the depleted stock of weapons. North explained that “to Israel, surrounded by enemies and with limited war reserves, even the temporary loss of these missiles had serious implications for her national security.” The partnership with the United States thus allowed Israeli decisionmakers to manage the risks of this

252 House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, Testimony of John M. Poindexter, 495; Hamilton and Inouye, Report of the Congressional Committees Investigating the Iran-Contra Affair, 209.
253 North, Under Fire, 24. Draper agrees that the Israelis “did not wish arms transfer to Iran to deplete their own stock of weapons for any length of time.” Draper, A Very Thin Line, 163.
exposure through a guarantee of immediate resupply.

Costly signaling on the part of the Iranian interlocutors further led Israeli decisionmakers to believe that they could manage the future strategic risks associated with arms transfers. Kimche noted that while some policymakers remained wary of the initiative in July of 1985, their reservations were in many ways alleviated by the willingness of Iranian officials to meet with the Israelis, who considered the act a costly signal. He proffered that “if [Karoubi] was all he claimed to be, then we had before us a fervent patriot who, for the sake of his beloved Iran, was willing to take immense risks, including the danger of being in contact with the Israelis.”

Because that contact could presumably have led to Karoubi’s condemnation — even death — Israeli officials interpreted his willingness to meet as a signal that Iran could be a trustworthy partner of Israel, linked by a common and enduring desire to stem the danger emanating from Baghdad. As described above, these meetings were held frequently during 1985 and 1986; the inherent dangers for the Iranians involved compelled the Israelis to discount future risks.

*Ex Post Risk Management*

Like the Americans, Israeli decisionmakers were buoyed by the idea that they could maintain control over the implementation of the arms shipments and therefore mitigate the risks associated with that initiative. Israeli policymakers believed that if the Iranians failed to deliver on certain promises — be it the release of hostages or the timely payment for weapons — they could halt the transfers. This line of reasoning led Israeli decisionmakers to implement the sequential, phased operations discussed above. Draper explains that the Israelis “were originally prepared to risk only the loss of 500 of their TOWs in the first exchange. If Iran did not obtain

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the release of all the hostages, it would not get the remaining 3,500 TOWs.”

Israeli officials ultimately jettisoned the implementation of this plan, but its reasoning originally led to risk acceptance on their part.

While Israeli leaders were certainly — and significantly — influenced by their ability to implement these strategies, it is important to note that the risk management explanation complements, rather than outweighs, the shift in the balance of the threat one. Indeed, Israeli decisionmakers were willing to run these strategic risks without express U.S. approval both in the early 1980s and in April of 1985. The impetus for such risk discounting lay primarily with fears of an Iraqi victory over Iran; securing U.S. approval during the Iran initiative proved to be an important complement to this motivation, but does not hold equal explanatory weight.

**Alternative Explanation: Israel — Domestic Politics**

Concerns over domestic politics did not compel Peres to discount the future strategic risks associated with transferring arms to Iran. This section argues that while the arms export industry, a powerful group in Israeli politics, pressured decisionmakers to sanction the initiative, a unique power-sharing arrangement among Israeli political parties ensured Peres’ tenure and left him unsusceptible to such coercion.

The freezing of ties between Iran and Israel after the Islamic Revolution had a deleterious effect on the Israeli arms industry and, by extension, the Israeli economy. Reports estimated that Israel lost more than $200 million a year after the revolution and that “some Israeli arms manufacturers had to lay off thousands of workers.” These issues became increasingly salient around the time of the Iran initiative: by 1984, Israel’s economy “was dependent on weapons

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exports to an unhealthy extent. Arms exports as a percentage of overall industrial exports increased from 7 percent in 1967 … to greater than 24 percent after 1977.”257 Souresrafil adds that at the time of the initiative, Israel “was suffering from an economic crisis.”258

A number of analysts have argued that the arms export and defense industries applied pressure on Israeli officials to resume arms transfers to Iran in order to alleviate these adverse conditions. Jonathan Marshall et al. note that the “export statistics do not begin to describe the power exercised by the arms producers, much less the ‘pro-arms lobby,’ a wider group including top ranks of the Israeli military, directors of various industries, unions and several Israeli leaders with close ties to arms industries.”259 Evoking the concept of intertemporal tradeoffs, they write that this selectorate pressured decisionmakers to pursue “short term objectives which often foreclose the possibility of longer term diplomatic aims.”260 Ronen Bergman in fact argues that the arms shipments could be explained simply by recognizing that the “weapons industry wanted to make money.”261

And yet even the sharpest pressure from such groups could not have endangered Peres’ political survival at the time of the Iran initiative. Peres, the leader of the Labor Party, assumed office in 1984 as part of a unique power-sharing arrangement with Shamir’s Likud Party: because of an extraordinarily close election, the leaders agreed that Peres would be the prime minister for two years, and that Shamir would take over in October of 1986 for the following two years. (Peres did, in fact, hand over power that month.) Labor’s Rabin served throughout the

257 Hoyt, Military Industry and Regional Defense Policy, 92-93. See also Freedman, A Choice of Enemies, 179; Marshall et al., The Iran-Contra Connection, 87.
258 Souresrafil, Khomeini and Israel, 72.
259 Marshall et al., The Iran-Contra Connection, 87.
260 Marshall et al., The Iran-Contra Connection, 87.
261 Bergman, The Secret War with Iran, 43.
duration of this unity government as minister of defense.\textsuperscript{262} This remarkable arrangement meant not only that the arms export and defense industries were rendered ineffectual, but also that Peres was granted a degree of job security that few Israeli premiers have known; by sharing power with the only viable opposition party and having a clear limit to his term, he was insulated from the pressures of the arms export industry and the broader electorate, alleviating him of the need to pursue risky policies in order to address domestic political concerns. What is more, both Shamir and Rabin gave their assent to the arms transfers, further removing doubt that Peres did not act to counter domestic threats.

\textbf{Alternative Explanation: Israel — Trust}

The trust hypothesis cannot explain why Israeli decisionmakers discounted the future strategic risks associated with transferring arms to Iran. Foremost, Israel and Iran do not share any meaningful social ties: Israel is a Jewish, Westernized country with an elected democratic government, while Iran is an authoritarian Islamic theocracy. In fact, the divergence of these identities often featured heavily in Khomeini’s denunciations of Israel, ensuring that such normative factors did not compel the Israelis to provide the Iranians with arms.

Nor did Israeli decisionmakers display any evidence that they trusted the Iranians due to interpersonal connections. Rather than intrinsically trusting their Iranian contacts, Israeli officials subjected them to extensive background checks and tests: in April of 1985, Ghorbanifar and his associate, Cyrus Hashemi, came to Israel so that intelligence officers could “assess them and test their reliability.”\textsuperscript{263} Among other measures, the Israelis forced Ghorbanifar to call Kangarlou; Segev writes that “[t]hose who listened to the conversation received the impression that

\textsuperscript{262} Quandt, \textit{Peace Process}, 260.
\textsuperscript{263} Segev, \textit{The Iranian Triangle}, 19.
Ghorbanifar was lying in part. There was no doubt, however, that Ghorbanifar was speaking to the Prime Minister’s office in Tehran, and that his contacts were aware of the kind of connections he had in Israel.”

After the call, the Israelis believed that Ghorbanifar “proved himself,” and they consequently became more willing to work with him. In doing so, they relied on costly signals and credible commitments, measures that are employed only in the absence of trust. Finally, it is worth reiterating the tremendous importance the Israelis placed on Karoubi’s willingness to meet, a move that Israeli decisionmakers described as a valuable costly signal.

Alternative Explanation: Israel — Prestige

The prestige hypothesis also cannot explain why Israeli decisionmakers discounted future strategic risks. Like their American counterparts, Israeli officials ran the risk that their state’s reputation would in fact be damaged by their willingness to betray their stated preference of and commitment to not aiding a sponsor of terrorism. Furthermore, regional players already considered Israel the reigning military power: it had emerged victorious from numerous wars with its Arab neighbors and maintained, thanks to the United States, a qualitative military edge. Finally, the clandestine nature of the 1985-1986 initiative again signaled that Israel did not seek recognition for its transfers; they were in no way demonstrative or aimed at garnering recognition from other actors.

Israel: In-Case Variation

Ties between Israel and Iran were severed in the wake of the 1979 Islamic Revolution. For eighteen months, relations between the two states were virtually non-existent; Israeli military

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264 Segev, The Iranian Triangle, 19.
265 Segev, The Iranian Triangle, 19.
transfers, which had flourished during the reign of the shah, were cut off. Though Israel may have hoped to re-establish ties with its former periphery ally, the absence of an immediate and acute threat to Israeli interests — complemented by Khomeini’s vicious denouncements of Israel — ensured that non-transfers remained the prevailing Israeli policy. Israeli officials also demonstrated an unwillingness to discount future strategic risks in the nascent stages of the 1985-1986 Iran initiative. Israeli policymakers refused to send the weapons to Tehran without express U.S. sanction or pledges for replenishment. (In light of Israeli action over the following two years, the agreement in April of 1985 seems a hasty aberration.) In other words, Israeli decisionmakers remained risk averse in the absence of a sufficient ex ante risk management strategy.

The shock of the Iran-Iraq War, however, dislodged this policy preference and compelled Israeli officials to discount the future strategic risks associated with sending arms to a recognized adversary. Decisionmakers transferred arms to Iran because they believed that an Iraqi victory in the Iran-Iraq War posed an immediate and acute threat to Israeli interests. This variation shows that shifts in the balance of threat can dramatically increase a decisionmaker’s willingness to discount future strategic risks. A second important change occurred in 1985, when Israeli officials transferred arms to Iran after they secured not only U.S. permission to do so, but also a promise from American policymakers that the United States would replenish any missing Israeli weapons. This variation again demonstrates the importance of ex ante risk management in determining strategic risk acceptance over time.

**Israel: Conclusion**

Israeli decisionmakers understood the future strategic dangers of transferring arms to
Iran. Peres, who authorized the initiative in 1985, stated three years prior that “Iran’s victory [in the Iran-Iraq War] is not only military. Iran represents the most extreme trend in the Moslem world and wants to inflame the Middle East. The threat of extreme fanaticism might be more dangerous than a military victory.” Other Israeli officials agreed: Abba Eban, then a member of Knesset, stated, “An Iranian victory would be a national and a regional disaster. It would not be the victory of an army, but of an idea, namely that of Islamic fundamentalism … and would destroy the hope for continuation of the peace process.”

Yet despite these warnings, and despite the fact that Iranian-backed troops were killing Israeli soldiers in Lebanon, decisionmakers in Israel approved the sale of arms to Tehran. Their reasoning was grounded in a perceived need to counter an acute and immediate threat from Iraq. These transfers proved critical to Iran’s ability to weather the eight-year war: Souresrafil goes so far as to say that “it is very hard to imagine that Khomeini’s regime in those critical days could have survived without Israeli support.”

To be sure, Israeli decisionmakers had other options. They could have sought security guarantees from the United States as a means of protecting their country from Iraqi attack, or balanced internally against the threat from Baghdad. Instead, they pursued an expedient solution to an immediate problem.

Israeli leaders would have reason to deeply regret their decision. Though not involved in the initiative, Eban summed up a general feeling in the Israeli foreign policy community after the

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268 Souresrafil, Khomeini and Israel, 76.
269 Ian Black and Benny Morris succinctly assert that policymakers were ultimately compelled by the fact that “there were clearly short-term, tactical opportunities to be seized.” Black and Morris, Israel’s Secret Wars, 332.
transfers came to light: “The greatest danger to Israel is the Khomeinist threat,” he said. “I would not sell Iran a broken typewriter.”  

Perhaps most woeful for decisionmakers, Hezbollah has attacked Israel using the very weapons the Jewish State sold to Iran.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Predictions Met?</th>
<th>Key Factors</th>
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<tbody>
<tr>
<td>Shifts in the Balance of Threat</td>
<td>Yes</td>
<td>Israeli interests imperiled by Iranian loss to Iraq</td>
</tr>
</tbody>
</table>
| Risk Management                 | Yes              | Ex Ante: Gain U.S. complicity; Iranian willingness to meet perceived as costly signal  
|                                 |                  | Ex Post: Sequential operation that could be terminated if Iran violates agreements |
| Domestic Politics               | No               | Power-sharing arrangement secures Peres’ tenure in office                  |
| Trust                           | No               | Israel is Jewish, Westernized country with an elected democratic government; Iran is authoritarian Islamic theocracy; Iranian interlocutors subjected to background checks and tests |
| Prestige                        | No               | Israel was regional superpower; initiative was clandestine; risk of harming Israeli reputation |

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271 Bergman writes, “One of the machine guns sold to Iran at that time would be used by Hizballah twenty-five years later to kill Israeli troops in the July 12, 2006 incident that led to Israel’s most recent war in Lebanon.” Bergman, *The Secret War with Iran*, 48.
CHAPTER SEVEN  
A Process-Oriented Schema of Risk and Time

This dissertation has thus far relied on case studies to examine why decisionmakers pursue policies that pose a security risk over time. By investigating instances of supply-side nuclear proliferation, state sponsorship of terrorism, and arms transfers to recognized adversaries, the preceding chapters have demonstrated that a shock — particularly an adverse shift in the balance of threat — can compel a decisionmaker to accept long-term strategic risks that he otherwise would have avoided.

This chapter seeks to supplement those case studies through the creation of a model. The chapter first describes two popular extant models, expected utility and prospect theory, and reviews how those models fall short in explaining future strategic risk discounting. An original decision tree and process-oriented schema are then presented. This format has been selected for two principal reasons. First, the format is commonplace in the field of psychology. David Krantz and Howard Kunreuther’s “Goals and Plans in Decisionmaking,” for example, develops a constructed-choice model for decisionmaking by outlining the failings of expected utility and cumulative prospect theory in explaining protective decision anomalies and then drawing a process-oriented schema. Second, these extant models in many ways cohere with the leading — and most relevant — theories of international relations: expected utility models are closely related to rationalist theories, while prospect theory is frequently employed when scholars wish to explain international politics through cognitive psychology.

Given the traditional use of game theory and formal models, some scholars of international relations may be unfamiliar with process-oriented schemata. It is therefore worthwhile to justify briefly the use of this approach. To begin, game theory is unhelpful in
modeling decisionmaking in the absence of strategic interaction, as is the case in this
dissertation. Behavioral formal modeling is also unavailable, as the parameters of this project,
which focuses on leaders and time horizons, are not conducive to experimental work; without the
resulting data observations, a mathematical model cannot be created validly. A process-oriented
schema, however, can accommodate these parameters. As this dissertation is already steeped in
theories of cognitive psychology, such a schema not only accords with the overall work, but also
serves as a beneficial supplement to the preceding chapters. The model developed here draws
both its explanatory power and originality from the idea that temporal considerations and shifting
time horizons best explain why policymakers accept long-term strategic risks.

**Expected Utility**

The expected utility model is based on a number of axiomatic assumptions that in many
ways determine its power. To begin, expected utility assumes that when a decisionmaker is
choosing among a set of possible actions, he “has in mind an ordering of all possible
consequences of actions, saying, for each pair of consequences, either that he prefers one or that
he is indifferent between them; these relations of preference and indifference have the property
(known as transitivity) that if consequence A is preferred to consequence B and B to C, then A is
preferred to C, and similarly with indifference.”¹ In addition to transitive preferences, expected
utility also assumes that individuals “know the intensity of their preferences, with that intensity
of preference being known as utility,” and “consider alternative means of achieving desirable
ends in terms of the product of the probability of achieving alternative outcomes and the utility

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associated with those outcomes.” The theory implicitly holds that an individual’s preferences do not vary: Jack Levy notes that though “invariance is not a formal axiom of expected-utility theory, it is an ‘invisible background assumption’ of the theory. [Kenneth] Arrow refers to invariance as ‘extensionality’ and describes it as a ‘fundamental element of rationality.’”

The model assumes, ultimately, that individuals are rational, meaning that they have a “stable, ordered, and consistent set of preferences, and that they have a stable way of making choices about how to use scarce resources in a manner that gives them the most utility from a given expenditure of resources.” Levy summarizes that rational choice “require[s] a consistent and transitive preference order and the selection from available alternatives so as to maximize satisfaction.”

Expected utility predicts that because decisionmakers are rational, they will consider that the “utility of a risky prospect is equal to the expected utility of its outcomes, obtained by weighting the utility of each possible outcome by its probability.” Actors should consequently choose the option that provides the highest level of expected utility. This theory takes the mathematical form:

\[
EU(A) = \sum_{i=1}^{n} P(E_i)U(X_i)
\]

Paul Slovic et al. explain that “\(EU(A)\) represents the expected utility of a course of action which has consequences \(X_1, X_2, \ldots X_n\) depending on events \(E_1, E_2, \ldots E_n\), \(P(E_i)\) represents the

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3 Levy, “Prospect Theory, Rational Choice, and International Relations,” 93.
5 Levy, “Prospect Theory, Rational Choice, and International Relations,” 89.
probability of the ith outcome of that action, and $U(X_i)$ represents the subjective value or utility of that outcome."\(^8\) Notably, Leonard Savage updated the model in 1954 to accommodate some subjective perceptions: he allowed that $P(E_i)$ could "represent subjective or personal probabilities."\(^9\)

Krantz and Kunreuther explain that a “decision problem is often represented as a matrix (Savage, 1954): the rows represent possible actions or strategies for the decision maker, the columns represent possible events that could occur, and the entry in any cell of the matrix (any given strategy-event combination) is a multi-attribute outcome, composed of all goals that will be achieved if that particular strategy is selected by the decision maker and that particular event happens to occur.”\(^10\) They present the following abstract table by way of example, which relays that the “outcome of the ith strategy, given that the jth event occurs, is denoted $o_{ij}$ (cell entries).”\(^11\)

<table>
<thead>
<tr>
<th>Possible Strategies</th>
<th>$E_1$</th>
<th>$E_2$</th>
<th>...</th>
<th>$E_n$</th>
</tr>
</thead>
<tbody>
<tr>
<td>strategy 1</td>
<td>$o_{11}$</td>
<td>$o_{12}$</td>
<td>...</td>
<td>$o_{1n}$</td>
</tr>
<tr>
<td>strategy 2</td>
<td>$o_{21}$</td>
<td>$o_{22}$</td>
<td>...</td>
<td>$o_{2n}$</td>
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<tr>
<td>strategy m</td>
<td>$o_{m1}$</td>
<td>$o_{m2}$</td>
<td>...</td>
<td>$o_{mn}$</td>
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</tbody>
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Expected utility purports not only to explain why a decisionmaker chooses a specific action, but also to predict future choices. Indeed, because it asserts that individuals will

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8 Slovic et al., “Decision Processes, Rationality, and Adjustment to Natural Hazards,” 3.
9 Slovic et al., “Decision Processes, Rationality, and Adjustment to Natural Hazards,” 4.
maximize utility by choosing the action of greatest utility times its probability, the model forecasts that an individual will choose option X over Y if (and only if):

$$EU(A) = \sum_{i=1}^{n} P(E_i)[U(X_i) - U(Y_i)] \geq 0$$

One important result of this model is that individuals are depicted as risk averse; a “person is risk averse if he prefers the certain prospect (x) to any risky prospect with expected value x. In expected utility theory, risk aversion is equivalent to the concavity of the utility function.”\(^\text{12}\)

Shortcomings of Expected Utility

The simple logic of expected utility is, at first glance, quite compelling. And yet the model has a number of practical shortcomings that limit its ability to explain future strategic risk discounting in international politics.

To begin, though models of expected utility predict that individuals will be risk averse, people in fact pursue risks in many aspects of their lives, gambling on probabilities that, according to the model, they would or should avoid. Individuals, for example, purchase lottery tickets, even though the “price of the ticket is more than the expected value.”\(^\text{13}\) In doing so, these individuals violate the central tenets of expected utility.

As this dissertation has shown, state leaders often display invariance of preferences and pursue policies that they at one point rejected as too dangerous. Orthodox readings of expected utility theory would predict that decisionmakers — who value their state’s security — would consistently avoid, rather than discount, these risks. Expected utility can therefore explain why


\(^{13}\) Lopes, “Between Hope and Fear,” 258.
leaders refused nuclear assistance — deeming that the probability of an optimal outcome and its utility are not worth the risk — but it cannot explain why leaders would later deviate from that path. These are failures of transitivity and invariance for which the model cannot account.

Even more lenient uses of expected utility — such as simple cost-benefit analyses, which are common in international relations theory — fail to explain future strategic risk discounting because the model inherently favors single time-frame evaluations. Expected utility was designed to show why an individual chooses one option over another during a single point in time; it does not, and cannot, explain variance in preferences over time. As discussed in Chapter One, the model will always predict that an individual will pick two tangerines over one, even though a time delay can lead people to make the opposite choice. Because expected utility does not account for time, its predictive powers fail in the realm of future risk acceptance.

**Prospect Theory**

Daniel Kahneman and Amos Tversky’s prospect theory emerged largely as a reaction to the shortcomings of expected utility. The central insight of prospect theory is that — contra the predictions of expected utility — individuals do not display invariance of preferences; instead, “variations in the framing of options (e.g., in terms of gains or losses) yield systematically different preferences.”

This idea of framing in many ways serves as the crux of prospect theory. Rather than assuming a paramount importance of net assets, the theory asserts that departures from a neutral reference point give value to prospects. Kahneman and Tversky explain that the “essential feature” of the theory “is that the carriers of value are changes in wealth or welfare, rather than

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final states. … Strictly speaking, value should be treated as a function in two arguments: the asset position that serves as reference point, and the magnitude of the change (positive or negative) from that reference point.”¹⁵

Negative and positive outcomes — measured against the reference point — “determine whether a given outcome is evaluated as a gain or as a loss,” as individuals “treat the costs of moving away from the status quo as losses and the benefits of moving away from the status quo as gains.”¹⁶ Levy underscores that “preference reversals induced by changes in frames rather than by changes in subjective utilities or probabilities are much more difficult to reconcile with expected-utility theory or with rational choice theories more generally. Evidence that behavior varies depending on whether the glass is seen as half-empty or half-full does not easily lend itself to a rational choice explanation.”¹⁷

Most germane to this dissertation is prospect theory’s findings on loss aversion: the model shows that when individuals face conditions of risk and uncertainty, they behave as though “losses loom larger than gains.”¹⁸ This loss aversion influences risk taking: actors will pursue risks that they usually would avoid in order to counter a negative departure from the status quo. In other words, they will deviate from what they regularly consider to be acceptable behavior and become more risk tolerant. Kahneman and Tversky write that a “person who has not made peace with his losses is likely to accept gambles that would be unacceptable to him otherwise. The well known observation that the tendency to bet on long shots increases in the

¹⁵ Kahneman and Tversky, “Prospect Theory,” 277.
¹⁷ Levy, “Prospect Theory, Rational Choice, and International Relations,” 92.
course of the betting day provides some support for the hypothesis that a failure to adapt to losses … induces risk seeking. “19

These findings are borne out quantitatively. Kahneman and Tversky show that the “derived value (utility) function … can readily produce convex regions in the value function for gains and concave regions in the value function for losses.”20 They write that “most people find symmetric bets of the form (x, .50; -x, .50) distinctly unattractive” and that the “aversiveness of symmetric fair bets generally increases with the size of the stake. That is, if x > y ≥ 0, then (y, .50; -y, .50) is preferred to (x, .50; -x, .50). … Thus, the value function for losses is steeper than the value function for gains.”21 Levy summarizes that this asymmetry signifies that individuals “tend to be risk-averse with respect to gains and risk-acceptant with respect to losses. This means that individual value functions are usually concave in the domain of gains and convex in the domain of losses, with a reflection effect around the reference point.”22 This finding is an important departure from expected utility: rather than the concave utility function for total assets described in that model, prospect theory has a “value function that has one branch for changes perceived as gains and another for perceived losses.”23

In describing the resulting value function of prospect theory, Tversky and Kahneman relay that readers should:

[c]onsider a prospect that yields outcome x with probability p, outcome y with probability q, and the status quo with probability 1 – p – q. According to prospect theory, there are values \( v(.) \) associated with outcomes, and decision weights \( \pi(.) \) associated with probabilities, such that the overall value of the prospect equals \( \pi(p) v(x) + \pi(q) v(y) \). … In prospect theory, outcomes are expressed as positive or negative deviations (gains or losses) from a neutral reference outcome,

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19 Kahneman and Tversky, “Prospect Theory,” 287.
21 Kahneman and Tversky, “Prospect Theory,” 279.
22 Levy, “Prospect Theory, Rational Choice, and International Relations,” 90.
which is assigned a value of zero. Although subjective values differ among individuals and attributes, [Kahneman and Tversky] propose that the value function is commonly S-shaped, concave above the reference point and convex below it.24

This idea of decision weights — which “measure the impact of events on the desirability of prospects, and not merely the perceived likelihood of these events” — proves critical: while in expected utility theory the “the utility of an uncertain outcome is weighted by its probability, in prospect theory the value of an uncertain outcome is multiplied by a decision weight \( \pi(p) \), which is a monotonic function of \( p \) but is not a probability.”25 Because of the weighting function, low probabilities in prospect theory are overweighted (\( \pi(p) > p \), but \( \pi(p) + \pi(p) \leq 1 \)).26 This distinction between probability and decision weights is important not only because it distinguishes expected utility from prospect theory, but also because it sets the stage for the original model presented in this chapter.

In sum, Kahneman and Tversky create a model in which the “value function is (i) defined on deviations from the reference point; (ii) generally concave for gains and commonly convex for losses; [and] (iii) steeper for losses than for gains.”27 The function can be mathematically represented as:

\[
V = \sum w(p_i) * v(x_i)
\]

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25 Kahneman and Tversky, “Prospect Theory,” 280; Tversky and Kahneman, “Framing of Decisions,” 454. Levy clarifies that the “probability-weighting function measures the impact of the probability of an event on the desirability of a prospect. It is not a linear function of probability, however, and decision weights are not themselves probabilities. Technically, decision weights could be influenced by factors other than probability, including ‘ambiguity,’ or uncertainty about the level of uncertainty or risk.” Levy, “An Introduction to Prospect Theory,” 181.
27 Kahneman and Tversky, “Prospect Theory,” 279.
“where $p$ is the perceived probability of outcome $x$, $w(p)$ is the probability-weighting function, and $v(x)$ is the value function.”\textsuperscript{28}

\textit{Shortcomings of Prospect Theory}

Prospect theory has made tremendous contributions to the studies of psychology and international relations. And yet the theory does have some shortcomings that prevent it from explaining why leaders are willing to pursue policies that pose strategic risks over time.

To be sure, prospect theory does an excellent job of linking loss aversion to risk taking by asserting that individuals will become risk acceptant in order to avoid losses. But the model can only account for immediate outcomes: Tversky and Kahneman indeed “propose that people generally evaluate acts in terms of a minimal account, which includes only the direct consequences of the act.”\textsuperscript{29} Where the authors acknowledge that decisionmakers may consider factors beyond the terms of a minimal account, they posit that individuals look only backwards. They note, “There are situations … in which the outcomes of an act affect the balance in an account that was previously set up by a related act. In these cases, the decision at hand may be evaluated in terms of a more inclusive account, as in the case of the bettor who views that last race in the context of earlier losses. More generally, a sunk-cost effect arises when a decision is referred to an existing account in which the current balance is negative.”\textsuperscript{30} The shortcoming here should be clear to those interested in future risks: like expected utility, prospect theory does not

\textsuperscript{28} Levy, “An Introduction to Prospect Theory,” 181.
\textsuperscript{29} Tversky and Kahneman, “Framing of Decisions,” 456. They elaborate, “People commonly adopt minimal accounts because this model of framing 1) simplifies evaluation and reduces cognitive strain, 2) reflects the intuition that consequences should be causally linked to acts, and 3) matches the properties of hedonic experience, which is more sensitive to desirable and undesirable changes than to steady states.” Tversky and Kahneman, “Framing of Decisions,” 457.
\textsuperscript{30} Tversky and Kahneman, “Framing of Decisions,” 457.
account for distant outcomes or tradeoffs; instead, the model assumes that individuals evaluate only their present, past, and immediate future when making choices.

This is not to say that prospect theory does not illuminate issues of decisionmaking under risk. Indeed, by replacing probability with decision weights, Kahneman and Tversky greatly advance understandings of value and risk. But decision weights cannot explain intertemporal tradeoffs. What is more, the inclusion of decision weights leads to predictions that “very low probabilities are generally overweighted, that is, \( \pi(p) > p \) for small \( p \).”\(^{31}\) This becomes a problem when considering future strategic risks: the idea that people “exhibit high decision weights to low-probability events” and “worry (sometimes excessively, sometimes not) about low-probability high-negative-impact events” can explain why state leaders avoid long-term risks, but cannot account for choices of nuclear assistance, state sponsorship of terrorism, or arms transfers to adversaries.\(^{32}\)

One additional shortcoming of prospect theory is noteworthy. Scholars of international relations may assume that leaders are, by the nature of their position, in a gain frame: defensive and offensive realists may argue about optimal means, but they would agree that leaders generally seek to increase their state’s security. Prospect theory rightly informs analysts that these decisionmakers are consequently reluctant to accept risks; the model also explains why a leader may become risk tolerant when facing a potential loss. Prospect theory fails, however, to elucidate why a decisionmaker would choose a risky policy when an alternative, less risky choice could lead to the same outcome. An example from the case studies proves illuminating: prospect theory would have predicted that Khrushchev, when facing an American threat to

\(^{31}\) Kahneman and Tversky, “Prospect Theory,” 281.

Soviet interests in Asia, would discount the risks of empowering China as a means of staving off that threat. It cannot, however, explain why Khrushchev pursued the riskier of available options; it cannot clarify why he chose nuclear assistance — which posed tremendous long-term risks — over such policies as existing conventional military aid or the creation of a regional pact. These alternative policies could have helped secure his state’s interests against American encroachment and would have been preferable to undertaking the risks associated with nuclear assistance. Prospect theory fails to account for this decisionmaking because, as discussed below, it lacks a temporal element; only a shifting time horizon can explain why a decisionmaker would choose a drastic, risky policy when less risky alternatives could potentially have provided the same outcome.

**A Process-Oriented Schema of Risk and Time**

Models of expected utility and prospect theory cannot adequately explain why decisionmakers knowingly pursue policies that pose strategic risks over time. This final section creates a decision tree and process-oriented schema to map the cognitive processes that explain such behavior.

The model presented here is based on three assumptions. First, it is assumed that decisionmakers are, a priori, averse to policies that pose long-term strategic risks. This risk aversion is represented by the Greek letter lambda (λ). Second, it is assumed that individuals value the present more than the future. As discussed in Chapter One, this is due to the immediacy effect and the uncertainty bound up in the future. Third, it is assumed that individuals are more risk acceptant when the potential adverse consequences of their decisions are delayed. This final assumption is rooted in Miller’s conflict theory and studies of intertemporal choice.
**Decision Tree**

Decision trees, which have become familiar tools in the study of judgment and decision, are widely valued for their usefulness in mapping choices. These models “employ a top-down, divide-and-conquer strategy that partitions the given set of objects into smaller and smaller subsets in step with the growth of the tree.” The decision tree presented below follows this blueprint. Notably, this model uses the term “threats” without designating a shift in the balance of threat (external) or concerns over domestic politics and political survival. Because their logics are the same, these two types of threats are incorporated into the same leaf of the decision tree.

Figure 1

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The decision tree highlights a number of important concepts. Foremost, risk aversion remains the prominent and common outcome for decisionmakers: only two branches result in accepting future strategic risks, reinforcing the idea that actors tend strongly toward risk aversion. Second, the dichotomous ideas of the remote and immediate permeate the tree: decisionmakers consider not only whether shocks present a distant or immediate threat, but also whether the potential adverse consequences of corrective action may materialize immediately or be delayed. These temporal considerations — missing in both expected utility and prospect theory — are critical in determining which path is chosen. Finally, the decision tree illustrates the idea that risk management is neither a sufficient nor necessary cause for accepting future strategic risks; risk management can complement a decision to counter an imminent threat, but cannot, by itself, lead to risk acceptance. This further foregrounds the importance of time horizons — contra probability assessments or decision weights — in decisionmaking under risk: an individual’s beliefs about his ability to manage risk affect his perceptions about probability and impact, but do little to alter his time horizon or outlook. As such, risk management can play only a complementary role in explaining future risk discounting.

Applying the decision tree to cases — both real and prospective — proves illuminating. The remainder of this section considers King Hussein’s decision to sponsor the Palestinian fedayeen from 1968 to 1970, and then examines a hypothetical case of U.S. nuclear assistance to Colombia.

**Jordan and the Palestinian Fedayeen.** When Hussein initially evaluated the policy of backing the fedayeen, no shock had been introduced to dislodge his risk aversion. As such, his risk tolerance remained low, and he chose not to sponsor the guerillas. He decided, in fact, to stymie their
activities: he ordered Jordanian forces to stop fedayeen infiltrations into Israel and to carry out mass arrests of suspected Palestinian commandos. Though the 1967 War certainly served as a shock — the conflict left thousands dead and the West Bank captured — Hussein did not believe that Israel further endangered his interests. Instead, he believed that Israel was a potential peace partner, did not seek additional Jordanian territory, and would occupy the West Bank only temporarily. Hussein consequently remained risk averse, continuing to prevent the fedayeen from attacking the Jewish State.

The Battle of Karameh, however, introduced a shock that Hussein perceived as threatening to his interests. That event led the king to believe that Israel was poised to conquer additional Jordanian territory and that the occupation was permanent. These were immediate, rather than remote, threats to Jordan’s territorial sovereignty and Hussein’s political survival.

Hussein saw sponsorship of the fedayeen as a countermeasure to these dangers. The guerillas had been relatively successful in attacking Israel, and the king believed he could use the groups to: impose costs on the Jewish State; pressure Israel into relinquishing the West Bank; and reify his legitimacy at home by reclaiming leadership of the Palestinian cause.

Hussein also determined that the adverse consequences of backing the guerillas were delayed. The danger of boomerang did not appear immediate, as the fedayeen were not mobilized to oppose the king, nor had they given indication that they targeted Hussein’s interests more than Israel’s. Even the risks of revenge did not appear immediate: because the king perceived that Israel would attack Jordan regardless of his policies, that danger lost its temporal relevance. If anything, Hussein’s ability to direct the guerillas may have led him to believe that the adverse consequences could be more measured and controlled over time.
The king’s confidence in his ability to manage the risks associated with sponsoring the fedayeen further increased his risk tolerance. He believed that he could manage risks ex ante through coordination and agreements, as well as manage risks ex post through monitoring and staying involved in the organizations. As such, he ultimately chose to pursue the risky policy of sponsorship.

**Hypothetical U.S. Nuclear Assistance to Colombia.** It is similarly useful to apply the decision tree to a prospective case. Scholars may consider a hypothetical case in which U.S. decisionmakers are weighing whether to provide Colombia with nuclear technology. Though Colombia is a key U.S. ally in Latin America, such assistance would likely be refused in the absence of a shock that led U.S. officials to believe that American interests were imperiled. In other words, officials in Washington would maintain an aversion to the long-term strategic risks associated with nuclear assistance to Bogotá.

A sufficient shock, however, could dislodge that preference and increase their risk tolerance. Readers might suspend disbelief and imagine that in 2022, Venezuela surprised U.S. officials by announcing that, with the help of Iran, it was on the cusp of acquiring a nuclear weapons capability. American decisionmakers would perceive this development as gravely alarming: since President James Monroe’s famous proclamation of December 1823, the United States has regarded the Western Hemisphere as a prized sphere of influence and has endeavored to safeguard its interests in the region. These officials may also perceive that a nuclearizing Venezuela posed an immediate, rather than remote, threat to U.S. interests: they may believe that, emboldened by atomic capabilities, Caracas would seek to displace the United States as the region’s hegemon, endanger stalwart U.S. allies such as Colombia, and give increased sanctuary
to terrorist groups like Hezbollah. Such fears could be quite valid: Venezuelan leaders have already “made anti-Americanism the hallmark of [their] foreign policy rhetoric,” and U.S. authorities have at times expressed concern about the presence of terrorist groups in Venezuela. Given the country’s proximity to the relatively porous U.S. southern border, American officials may consider such threats as immediate and acute.

If a policy that posed long-term risks — such as transferring nuclear technologies to Colombia — was thought useful in countering these imminent dangers, then U.S. decisionmakers may become risk acceptant toward such initiatives. Moreover, if the possible adverse consequences of that long-term risk were delayed, then American policymakers would likely be further incentivized to discount future risks. In this case, the adverse consequences of sharing nuclear technology would not necessarily be immediate: potential lack of weaponization, shared interest in deterring Venezuela, a strong U.S.-Colombia strategic relationship, and a host of other factors could make negative outcomes appear distant or delayed. What is more, the ability to manage risks — through Colombian pledges to forgo enrichment and reprocessing for civilian technology, or dual-key systems for nuclear weapons — would further compel U.S. decisionmakers to increase their risk tolerance.

A Process-Oriented Schema

A process-oriented schema incorporates the key assumptions and logics of the decision tree, but provides a map of the cognitive processes that shape tolerance for future risks. The

model, most importantly, centers on temporal considerations: immediate concerns are more influential than remote ones, and time horizons can contract if subjected to a shock. Moreover, decisionmakers in the schema are, a priori, averse to future strategic risks. This risk aversion allows them to maintain a lengthy time horizon that accounts for potential adverse consequences into the distant future.

Figure 2

The central, anchoring component of the schema is the length of the time horizon. The downward arrows that connect a shock to time-horizon length elucidate the ways in which such events can shorten a time horizon. These dynamics proceed in three principal ways: immediacy effects, the availability heuristic, and certainty effects, all of which contribute to the contraction of a decisionmaker’s time horizon and his consequent risk tolerance.

Time-horizon length both influences and is influenced by a perceived delay to adverse consequences. A standard, status quo time-horizon length — one that has not been subjected to a
shock — shapes a decisionmaker’s perception that a delay to adverse outcomes is not significantly distant. To be sure, a long time horizon does make future consequences seem less relevant. And yet under ordinary circumstances, potential negative outcomes remain daunting; actors may discount those outcomes, but they are still valuable enough to heed, which in turn keeps time horizons lengthy.

When, however, a time horizon contracts, a decisionmaker’s ability to see delayed consequences of long-term risks is truncated along with it. In essence, a bifurcation occurs as two separate time frames are created: faced with an immediate problem, a decisionmaker becomes concerned with the immediate, short-term consequences of his actions, i.e., whether they can address the dangers he currently faces. This shortened time frame prevents — or, at the very least, biases — him from seeing the long-term consequences that may stem from those same actions. What is more, the far-future consequences of his actions — the delayed outcomes — seem ever more distant, reinforcing the salience and power of the truncated time frame, in part because decisionmakers believe that such a significant delay equips them with the ability to manage and mitigate risks. This “control” factor is duly represented in the schema.

Discount factors (represented by the Greek letter δ) support this line of reasoning. According to the rules of discounting, the future value of any object is always less than its present value, such that $1 today is worth $0< δ<$1 in the future. While hyperbolic discounting models show that a discount rate decreases over time, the value of δ continues to decrease along with it, meaning that far-distant outcomes are always valued least by a decisionmaker. As such, future outcomes are less valued than near-term outcomes, which lends to future risk acceptance.
One final series of cognitive processes is represented in the schema. The shock not only affects a time horizon’s length, but also, by its very nature, shapes the value of a corrective action. If a decisionmaker values the status quo at one-hundred units of utility, and a shock detracts forty units of utility from that reference point, a true corrective action must restore forty units of utility to satisfy the decisionmaker. The value of a corrective action — the absolute value of the shock — is also influenced by the time-horizon length: a contracted time horizon will give added value to an action that addresses an immediate danger, while a longer time horizon may conversely suggest that a policy is suboptimal when weighed against other factors over time. These dynamics in turn shape risk tolerance.

Time horizons serve as the central and fundamental mechanism in determining why decisionmakers pursue policies that pose a security risk over time. Under the pressure of a shock, a time horizon shortens, which in turn compels actors to accept long-term risks that may have been unpalatable under the status quo.

Jordan and the Palestinian Fedayeen. Returning to the example of Hussein and the Palestinian fedayeen, the schema assumes that Hussein was initially risk averse, which in turn compelled him to maintain a lengthy time horizon in which the negative consequences of sponsorship were imaginable. Able to picture the adverse outcomes of such support, the king’s risk tolerance remained low and he chose not to sponsor the fedayeen.

The shock of Karameh, however, shortened his time horizon. This contraction proceeded by way of the three heuristics. First, the event would have been easily recalled by Hussein (“availability”); seeing similar attacks as more likely would have limited the king’s ability to imagine different outcomes in the distant future. Second, Hussein was certain that Israel was
poised to capture additional Jordanian territory, that peace was moribund, and that the unrest in his country imperiled his political survival. He overweighted these perceived certain outcomes ("certainty"), which too restricted his ability to consider future, uncertain consequences. Finally, Hussein valued the resolution of what he considered to be immediate dangers ("immediacy"): fearful of imminent external and internal threats, his time horizon contracted and the value of future events lessened considerably. This truncated time horizon increased Hussein’s long-term risk tolerance, contributing to his willingness to sponsor the fedayeen.

Both the shock of Karameh and the shortened time horizon shaped the value of sponsoring the fedayeen. After Karameh, Hussein believed that the fedayeen could be useful in imposing costs on Israel, resuscitating the peace process, recovering the West Bank, and shoring up his position among a restive domestic population. The more limited time horizon also helped form the policy’s value because Hussein sought to resolve these immediate dangers, making short-term corrective actions appear more valuable than they otherwise would have been. Notably, Hussein discontinued sponsorship when its value decreased: when it became clear that the fedayeen sought to incorporate parts of his country into an independent Palestinian state and that backing the guerillas created mutinous resentment in the Jordanian armed forces, the policy’s value evaporated and he terminated support.

Lastly, when Hussein’s time horizon was lengthy — before Karameh — the delay to adverse consequences did not appear great. Without a significant delay, Hussein was able to picture the adverse consequences of sponsorship, which in turn helped keep the time horizon long and his risk tolerance low. But when the time horizon contracted, the delay to negative consequences appeared longer, which contributed to Hussein’s belief that he could control the
negative outcomes associated with sponsorship. This illusion of control reinforced the king’s sense that he could and must work within a shortened time horizon, leading him to become more tolerant of the long-term risks that lay beyond that time frame.

**Hypothetical U.S. Nuclear Assistance to Colombia.** The schema can also help scholars navigate the hypothetical case of U.S.-nuclear assistance to Colombia. To begin, the initial risk aversion of U.S. decisionmakers would allow them to maintain time horizons that were lengthy enough to foresee — and be deterred by — the long-term adverse consequences of nuclear assistance. They would remain, in other words, risk averse.

The shock of a nuclearizing Venezuela, however, could shorten those time horizons. If officials in Washington perceived that the dangers of a nuclear Venezuela were immediate and certain, their truncated time horizons would render them unable to imagine distant negative outcomes. The discovery of Venezuela’s newfound capabilities (“availability”), coupled with predominant fears of nuclear weapons use, would further limit policymakers’ time horizons and consequently increase their long-term risk acceptance.

The shock of a nuclear Venezuela and the resulting contracted time horizon would also shape the value of a corrective action. In this case, a countermeasure to a nuclearizing adversary may be providing a key ally with related capabilities; more specifically, the United States may be able to check Venezuela by supplying Colombia, its regional rival, with nuclear technology. Provision of such materials and know-how could also serve as a looming warning against harboring or financing terrorist organizations. Even civilian nuclear technology could be useful in countering Venezuela’s emerging nuclear program: as with the U.S.-UAE partnership, such assistance to Colombia could serve as a nuclear hedge by keeping Caracas uncertain about its
rival’s capabilities, or be a counterpoint to forestall any further advances in Venezuela’s nuclear program. The truncated time horizon would lend further value to this policy, as the transfer of nuclear technology could bestow immediate deterrent advantages on the United States. The value of nuclear assistance, then, could increase the risk tolerance of U.S. policymakers.

Finally, under status quo time horizons, the delay to negative outcomes associated with nuclear assistance would not appear overly long. This lack of delay allows officials to foresee the adverse consequences of their decisions, which in turn keeps time horizons lengthy and risk tolerance low. And yet a contracted time horizon would make delay to negative outcomes of nuclear assistance — namely boomerang, betrayal, or emancipation — seem more distant. Beliefs about control over these risks — through Colombia’s potential pledges to forgo enrichment and reprocessing for a civilian nuclear program, or a dual-key system for a military one — would further cement the impression that the time horizon was shortened, which in turn would increase long-term risk tolerance.
CONCLUSION

In examining why decisionmakers knowingly pursue policies that pose strategic risks over time, this dissertation has tested five different hypotheses. It has found that shifts in the balance of threat primarily explain future risk discounting: leaders of a state that is facing an adverse shift in the balance of threat are more likely to pursue policies that pose a security risk over time. In each of the case studies, decisionmakers chose to run a long-term risk in order to counter an acute and immediate threat to their states’ interests. In doing so, these leaders demonstrated that they were more concerned with the resolution of an immediate problem than potential future dangers. This finding carried explanatory weight across time period, regime type, and functional issue. What is more, decisionmakers displayed a willingness to discount future risks in response not only to perceived existential threats, but also to perceived threats to their states’ power position in the international system.

The risk management hypothesis complemented this explanation: it was proven that leaders who believe their state can manage a risk are more likely to pursue policies that pose long-term strategic risks. In each of the cases, the risk tolerance of policymakers increased as a result of credible commitments and a belief in their ability to remain actively involved in the implementation of a policy. To be sure, risk management is not a sufficient cause for future risk discounting, and at times decisionmakers have been willing to undertake risks in the absence of strong credible commitments or ex post risk management strategies (Israeli arms transfers to Iran come to mind). Still, risk management proved a significant factor across cases.

Three alternative hypotheses did not prove convincing. Leaders facing significant domestic pressure did not appear more likely to undertake long-term strategic risks. At first
glance, domestic politics appeared to matter in the cases of Jordanian sponsorship of the Palestinian fedayeen and Soviet nuclear assistance to China, but a closer examination revealed that internal pressures played a secondary role in explaining the behavior of decisionmakers in Amman and Moscow. It is nonetheless notable that domestic politics did seem more significant in autocracies, raising the possibility that coalition pressures in non-democracies may be more powerful in influencing risk assessments.

Trust also did not explain future strategic risk discounting. At no time did interpersonal connection carry explanatory weight, and only Iran’s sponsorship of Hezbollah seemed to suggest that collective identification could determine risk tolerance. And yet even in that case, it was clear that a common Shia identity was not sufficient for future risk discounting, that an external threat from Israel was necessary for action, and that Khomeini pursued risk management strategies that, by their very nature, are employed in the absence of trust. In other cases where collective identification was nominally strong — Sino-Soviet nuclear cooperation and Hussein’s sponsorship of the Palestinian fedayeen — trust proved insignificant in determining risk acceptance. Indeed, common enemies, rather than common social ties, proved more likely to result in future risk discounting.

Finally, prestige at no time seemed to explain future risk discounting. Leaders across the cases showed no indication that they pursued policies that pose a security risk over time because they believed doing so would enhance their states’ prestige in the international system. Instead, these decisionmakers often took measures to hide their actions, clandestinely empowering other actors and maintaining deniability wherever possible.
In each of the functional issues discussed in this dissertation, non-assistance is the well-established norm: China has refused to transfer nuclear weapons to Libya, India does not sell arms to Pakistan, and it remains a rare exception for a country to back a terrorist group — in more than thirty years of existence, the State Department’s State Sponsors of Terrorism list has designated only eight countries. In the absence of an acute and immediate threat to a state’s interests, decisionmakers will likely remain averse to discounting future strategic risks. Nor are leaders likely to discount such strategic risks if they deem those risks unmanageable. It is the exceptions to this rule that provide key insights into why decisionmakers are sometimes willing to strike Faustian bargains, risking their states’ long-term security for short-term gains.

What generalizations flow from these findings? Most importantly, this dissertation has found that leaders who face threats are more likely to pursue policies that pose long-term strategic risks. Acting under duress, a decisionmaker’s time horizon contracts and he becomes increasingly willing to discount security risks over time. This finding is subject to scope conditions: decisionmakers become most willing to discount future strategic risks in order to counter a dangerous shift in the balance of threat. A leader’s belief in his ability to manage those risks — both before and after the implementation of a given policy — further increases his risk tolerance.

Scholars and policymakers alike should find these insights sensible. In international politics, decisionmakers do what they must to address the most immediate threats their states face; the exigencies and realities of the international system do not necessarily allow leaders to be constrained by fears of long-term consequences. The tyranny of the urgent, in other words, makes demands upon decisionmakers that compel them to behave myopically. When asked
about the ability of leaders to consider the effects of policies over the long term, Negroponte confirmed that “obviously you have to take care of crises when they come along and that’s part of working in government.”¹ The Congressional aide who worked on the UAE nuclear deal agreed: “You have a problem in front of you at the State Department, and you need to solve it. And the solution that will only really become effective in ten years is not acceptable.”²

This dissertation has implications for both the theory and practice of international relations. To begin, intertemporal tradeoffs and future risk discounting complicate rationalist theories of international politics. While scholars have spilled much ink debating the merits of such approaches to political science, this study underscores the idea that cognitive processes play an influential role in policy formulation; relying on aggregations and rationalism may certainly be useful, but analysts should recognize that human beings rarely, if ever, conform to the tenets of rationality. (Studies of temporal discounting indeed demonstrate that, although some discounting can be considered rational, individuals tend to discount more heavily than rational models predict.³) Theorists who depend on these assumptions — using what scholars of psychology call “normative” or “prescriptive” models of decisionmaking, rather than “descriptive” ones — are liable not only to sacrifice accuracy for parsimony, but also to disregard key explanatory factors in their work. This problem is especially perilous in security studies, where numerous mid-level theories turn on the concept of cost-benefit analysis: many theories of coercion, for example, marshal ideas of costs and benefits, but do so in ways that

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¹ John Negroponte, Interview with Author, 2 February 2011.
² Interview with Congressional aide, 14 January 2011.
limit the explanatory power of perception and discounting. Emending these studies to account for individual decisionmaking may improve them significantly.

The findings of this study further suggest that theories that fail to consider temporality provide, at best, a partial explanation of international politics. Theories of suicide terrorism, counterinsurgency, and occupation, for example, are blunted by excluding time horizons from their analysis: in each of these issues, the disparate temporal considerations of opponents may shape respective policy choices and outcomes. These logics are quite accessible: occupying forces will likely have a shorter time horizon than will a mobilized native population, who might be motivated by attachment to a homeland or religious conviction. Here, temporality can provide key insights into asymmetric warfare, particularly in light of the possibility that an insurgent group can “wait out” an occupying force or that a terrorist organization can reap eternal, heavenly benefits for acts of resistance.

Issues of temporality can similarly inform studies of commitments. Many works in the field — including, for example, participation in international institutions and bargaining — draw on concepts of credible commitments. Such works would benefit greatly from foregrounding ideas of time in determining how states and their leaders perceive and judge the durability — rather than merely the credibility — of commitments. To do so, analysts must examine intently the dynamics and influencing effects of time.

There is also room for existing theories in the field — particularly those that concern issues of threat — to focus more heavily on ideas of risk. Risk and threat are often interrelated; when reacting to dangers in the international system, decisionmakers must weigh the potential

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4 Monica Duffy Toft raises a number of these points. See Toft, “Issue Indivisibility and Time Horizons as Rationalist Explanations for War,” 34-69.
opportunities and negative outcomes of their options. Both paradigmatic and mid-level theories adequately study threats, but generally fail to move beyond simple cost-benefit analysis in evaluating countermeasures. Risk — the impact of negative events and their probability — can inform these discussions and sharpen scholars’ understanding of foreign policy choices.

Relatedly, scholars may find it useful to apply the risk mitigation explanation to other puzzles in international relations. It may be interesting, for example, to see how risk management strategies influence a state’s willingness to: participate in institutions that limit its freedom of action; challenge more powerful competitors; employ policies of engagement vis-à-vis coercion; or share intelligence and cooperate militarily with other countries. Moving beyond strategic risk could also prove worthwhile, as scholars may find that risk management explanations shed light on political risk, coalition dynamics, or the foreign policy process.

The findings of this study can also be used to draw out themes of risk and time that are implicit in a number of existing studies. Much of the nuclear proliferation literature, for example, already concerns these issues: studies of deterrence, technological determinants, nth country problems, and the detrimental effects of weapons acquisition on the non-proliferation regime all inherently deal with ideas of risk (the probability and impact of a state developing or deploying nuclear weapons, and which other actors might be exposed to that danger) and time (the long-term advantages that a nuclear weapons capability bestows upon a state, and how other actors may react in the future to such advantages). Bringing those themes to the forefront would enlighten extant theories and forge new paths in the field. Scholars may similarly apply the logics discussed herein to examine why a state may be willing to trade away precious resources or raw materials if they can one day be used to harm the interests of the supplier state.
Analysts may also use this work to consider classic security problems in a new light. It may be informative, for instance, to evaluate the security dilemma under the rubric of intertemporal tradeoffs and future risk discounting. Understanding how shocks and time horizons interact may lead to new views about arms build-ups, security guarantees, and threat signaling. More broadly, the framework of risk and time can be applied to any question that concerns principal-agent dynamics: a state’s relationship with proxy groups, international organizations, and even non-governmental organizations can be elucidated by studying these issues through a lens of risk and time.

This study certainly raises questions that invite further scrutiny. One interesting pattern to emerge from the case studies is the greater explanatory power of domestic politics in autocratic states than in democracies; theorists of international relations may elect to investigate further the role of regime type in future risk discounting. Analysts may also find it worthwhile to approach questions of risk and time from the agent’s perspective, examining how states work to lessen the perceived risks associated with empowering them. Such questions have relevance and application to current policy issues, including those pertaining to China’s rise and how Beijing has sought to manage the perceived risks associated with its ascent.

This dissertation can indeed contribute to real-world policymaking. The introduction opened by drawing attention to the puzzle of U.S. nuclear assistance to Vietnam and Iran, policies that have altered diametrically over the past fifty years. Equipped with the findings of this dissertation, scholars can look for shifts in the balance of threat and risk management strategies to explain these policies. They may ultimately find that decisionmakers in Washington discounted the future strategic risks of nuclear assistance to Iran in the 1960s because they
believed that empowering a critical CENTO partner could help counter an acute Soviet threat to U.S. interests. Relatedly, analysts may see that contemporary nuclear cooperation with Vietnam stems from both China’s rise and America’s perceived ability to manage the risks of such assistance.

Finally, this dissertation should prove useful to U.S. officials, as it can help them recognize situations in which foreign countries might become dangerously risk-acceptant: a state’s decision to arm a terrorist group with a weapon of mass destruction, for example, may be unlikely, but this study has helped identify the conditions under which the unlikely becomes plausible. Specific events are not hard to imagine given the current threat environment. U.S. officials continue to regard Iran’s nuclear program and the threat of international terrorism as the foremost dangers to U.S. interests and security: this dissertation predicts that as Iranian leaders perceive their interests as increasingly imperiled, they may discount the future strategic risks of sponsoring terrorist groups — possibly equipping them with weapons of mass destruction — in order to impose deadly costs on the United States. Aware of such potentialities, American officials can take defensive or countervailing measures.

Above all, this dissertation should remind officials that the future is pitiless; time unfolds regardless of a leader’s intentions or the circumstances of his decisionmaking. The consequences of policies reverberate far into the distant future, and officials may one day come to regret trading long-term security for short-term gains. Indeed, when weighing whether to discount future risks, policymakers may well remember Faust’s impossible plea, “Stand still, you ever-moving spheres of heaven / That time may cease and midnight never come.”5

5 Marlowe, *Doctor Faustus*, 14.5-6.
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