

**THE IRANIAN EVOLUTION:
FOREIGN POLICY TRANSITION THROUGH GLOBALIZATION AND
DEMOCRACY**

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ABSTRACT

With the recent implementation of an international agreement over Iran's nuclear program, there are questions over what this means for the country's long-term economic and political structure, as well as the effects on Tehran's international standing and hostile foreign policy. This paper addresses the democratic and economic peace theories and attempts to show the causation between economic liberalization and democratization in regards to Iran's contentious foreign policy. A mixed-method design was used to find patterns in states that were formerly hostile towards the international community. The results from the case studies and statistical models indicate that both democracy and economic liberalization have a measured effect on a state's foreign policy and international disputes, although economic liberalization is actually less significant in data analysis than hypothesized. Iran will likely experience a decrease in its international contentiousness in the long-term due to the nuclear agreement; however more research on what exactly constitutes acceptable levels of peace is required to advance full understanding of this study.

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While in Afghanistan in mid-2014, I wrote a self-prompted “research” paper on the subject of Iran’s youth culture driving political change in order to fulfill a requirement for entry into the International Affairs program at WUSTL; it is fitting that the culmination of my time at the university includes a substantial paper on the same subject. Most substantial is seeing the development between the two papers in research understanding, tools, methods, and of course, my own capabilities to comprehend the subject matter of political science, global economics, and international affairs. There is a significant difference between the person who wrote a paper in Bagram, Afghanistan, and the one who composed a research project during late nights in Olin Library and in an apartment in Washington D.C. For that change, I must acknowledge and express my gratitude to my advisor, Dr. Andy Sobel, for giving me insight into the workings of the international system I had never considered nor knew were at play. I would also like to acknowledge Dr. Jeremy Caddel, who along with Dr. Sobel, showed me what research really is and how it is done properly. This project is far from perfect, but I know as I move forward there is a foundation in academics that wasn’t there before. Finally I would also like to acknowledge the WUSTL University College, the College of Arts and Sciences, and of course all the faculty (full and part-time), advisors, and administrators who are a part of the International Affairs program; everyone at this university has had a positive impact on my success and I have the utmost respect and gratitude for all their guidance.

DEDICATION

I would like to dedicate this paper to MLM, JMH, CMC – thank you for the encouragement to apply to graduate school; MRJ, JPB, STL, CMM – thank you for getting me through some of the long and tedious nights of library marathons and paper assignments in 2015; and Abadir – for your ‘deft’ statistical skills. Most of all though, I would like to dedicate this project to my family, my parents and the extended (older and younger) members from both sides, who have inspired and supported me for thirty-two years. Thank you.

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IMPLEMENTATION DAY: A NEW IRAN?

On January 16, 2016, a substantial number of international sanctions on Iran were lifted after the International Atomic Energy Agency (IAEA) determined that Tehran's nuclear program had complied with the terms laid out by the five permanent members of the United Nations Security Council (the United States, the United Kingdom, France, Russia, and China) plus Germany (known collectively as the P5+1) in 2015's Joint Comprehensive Plan of Action (JCPOA). In order to reach this historic milestone, Iran fulfilled a promise to shrink its nuclear program and render it more transparent to the international community.¹ With the JCPOA in effect, Iran is set to receive anywhere from \$55 to over \$100 billion dollars in previously frozen assets, sell oil freely on world markets, and even purchase American commercial passenger aircraft and export some commodities (such as some foods and Persian rugs) back to the U.S.² Most significantly, the implementation of this treaty (known in parlance as the "nuclear deal") will effectively reconnect Iran to the international banking system and the global economy. For years, the country has been isolated economically and with the JCPOA in effect, Iran now attracts international (including Western) monetary interest.

¹ Kennedy, Merrit. "Implementation Day Arrives: Sanctions On Iran Are Lifted." *NPR*. January 16, 2016. Accessed February 11, 2016. <http://www.npr.org/sections/thetwo-way/2016/01/16/463168647/u-n-nuclear-watchdog-confirms-iran-nuclear-deal-set-to-be-implemented>.

² Long, Heather. "Why U.S. Businesses Could Lose Big in Iran." *CNN*. January 11, 2016. Accessed February 11, 2016. <http://money.cnn.com/2016/01/11/investing/iran-sanctions/index.html?iid=EL>

With both the U.S. and Iran currently involved in combatting the threat of the Islamic State in the Middle East, the nuclear deal could be the start of greater overall communication on a number of subjects, but Tehran's hostile rhetoric towards the U.S. must cease first. When this will occur and what exactly will compel this change is the examination of this paper. Will democracy, economic liberalization, or democratization after undergoing shifts in economic policies be the possible catalyst for future change in Iran's contentious foreign policy?

Scholars debate whether economic liberalization (capitalism) or full democratization are required for normalizing state relations; studies on the two schools of thought have been at the center of international relations since the days of Immanuel Kant, Montesquieu, Adam Smith, and Richard Cobden. Democratic peace theorists believe democracies are less likely to fight each other, while liberal political economists speculate that free-markets have the potential to save states from the prospects of war.³ In this paper, I will use a mixed-method design that attempts to give an in-depth historical and theoretical view of how states' foreign policies become less contentious towards others. At the heart of the research and analysis are three logistic regression statistical models that build upon democratization and economic liberalization and their effects on conflict. Although the results in this paper should give some understanding to how one might expect Iran to act in regards to its long-term foreign policy, further

³ Gartzke, Erik. "Economic Freedom and Peace." *Economic Freedom of the World: 2005 Annual Report* (2005): 29. Accessed October 13, 2015.
http://www.efnasia.org/attachments/Chapter%202_2005.pdf.

research on contentious state interactions (beyond Iran) with the U.S. or West should be analyzed.

A PRIMER ON THE IRANIAN NUCLEAR DEAL

On July 14, 2015, Iran and the P5+1 signed the JCPOA in Vienna; the treaty was formerly adopted in October 2015 and, as mentioned in the introduction, implemented in January 2016. The agreement removes sanctions placed on the country, while ensuring that Iran is unable to build or obtain nuclear weapons and that its nuclear program is used only for peaceful purposes. As part of the agreement, Iran must (among others) limit uranium enrichment to a single facility, reduce its stockpile of low-enriched uranium, and rebuild a major reactor to an agreed-upon P5+1 design that prevents production of weapons-grade plutonium. The country's leadership has also fully agreed to allow the IAEA to monitor compliance with the JCPOA. In response to Iran's meeting of these demands, the U.S., European Union, and UN suspended most economic sanctions, including those on companies within Iran's energy sector and international firms that conduct business with Iranian banks.⁴ This deal has both supporters and critics; some believe sanctions relief will give Iran additional resources to extend undue influence in the region, while others see it as an opportunity for greater U.S.-Iranian cooperation in the long-term.

Multilateral discussions regarding Iran's nuclear program date back to 2003 after the IAEA reported on the existence of clandestine nuclear facilities in the country. After this discovery, Iran quickly suspended their program under

⁴ Katzman, Kenneth, and Paul K. Kerr. "Iran Nuclear Agreement." *Congressional Research Service* (November 20, 2015): 8-16. Accessed November 27, 2015. <https://mchip.xykon-llc.com/sgp/crs/nuke/R43333.pdf>.

international scrutiny but later countered that pursuing nuclear technology was their right. In 2006, Iran was found to be developing low-enriched uranium in a centrifuge in Nantanz and was subsequently hit with economic sanctions by the U.S., EU, and UN as a result.⁵ The most sweeping of these, UN Resolution 1929, lambasted Tehran for continuously refusing to work with the IAEA and closed off a number of Iranian businesses and financial institutions, while also banning international states from participating commercially in the country's energy sector.⁶ These sanctions have been devastating on Iran; unemployment has peaked at thirty-five percent and inflation (over twenty percent) has destroyed the value of the Iranian rial.⁷

The potential benefits the JCPOA provides to Iran's economy cannot be understated. Some analysts in the business world predict that the lifting of sanctions and the return of the twenty-eighth largest economy in the world to the international economic community could be the single biggest diplomatically-driven economic game-changer since the fall of the Iron Curtain in 1989. The country currently holds nine percent of the world's oil reserves and just over eighteen percent of the world's natural gas reserves.⁸ With sanctions removed, Iran is able to export crude oil without restriction, and other parts of the energy, automotive production, and industrial sectors will likely rebound profoundly as

⁵ Ibid., 1-8

⁶ "Resolution 1929 (2010)." *United Nations Security Council* 6335 (Adopted June 9, 2010): 3-9. Accessed November 27, 2015. https://www.iaea.org/sites/default/files/unsc_res1929-2010.pdf.

⁷ Peterson, Sabrina R. "Iran's Deteriorating Economy: An Analysis of the Economic Impact of Western Sanctions." *International Affairs Review, the Elliott School of International Affairs, George Washington University* 20, no. 3 (July 2012). Accessed November 27, 2015. <http://www.iar-gwu.org/node/428>.

⁸ "Special Briefing: Economic Impact of the Iran Nuclear Deal." *Dun & Bradstreet* (August 2015): 2. Accessed November 28, 2015. http://www.dnb.com/content/dam/english/business-trends/special_briefing_iran.pdf.

importation of parts becomes easier to finance. The JCPOA also commits the U.S. to allow the sale of commercial aircraft to Iran, likely expanding U.S.-Iran trade in dollars, which was highly limited by sanctions for many years. Overall, the Iranian economy could experience a growth of seven percent in gross domestic product (GDP) in the next few years.⁹

As Iran's economic fortunes seem poised to improve, a question arises over what these gains might mean for the country's somewhat 'contentious' foreign policy. Iran's foreign policy has for nearly four decades been shaped by the ideology of the February 1979 Islamic revolution and perceived threats (mainly the U.S., Israel, and Sunni Muslims) to the regime. Iran characterizes its backing of Shi'a Muslims and other Islamist movements as support for an "oppressed" underclass; at times Tehran has provided direct material support to armed groups (such as Hamas and Hezbollah) who use terrorism to intimidate or retaliate against Iran's Western opponents. Much of Iran's current foreign policy has also appeared intended to thwart or mitigate the effects of international sanctions – often with a violent rhetoric.¹⁰ With Iran's economy poised to open, and with an estimated three and half billion dollars in foreign direct investments projected into the country over the next three years¹¹, could the country's diplomacy shift to something more accommodating to its "enemies," or is more required, perhaps a shift in the entire political structure of the government?

⁹ Katzman and Kerr, 18-19

¹⁰ Katzman, Kenneth. "Iran's Foreign Policy." *Congressional Research Service* (November 25, 2015): 1-7. Accessed December 1, 2015. <https://www.fas.org/sgp/crs/mideast/R44017.pdf>.

¹¹ Mufson, Steven. "What Ending Sanctions on Iran will mean for the Country's Economy." *Washington Post*. August 12, 2015. Accessed December 1, 2015. https://www.washingtonpost.com/business/economy/what-ending-sanctions-on-iran-will-mean-for-the-countrys-economy/2015/08/12/2c3a9942-3d17-11e5-b3ac-8a79bc44e5e2_story.html.

Would solely having strong economic ties with the international community bolster Iran's foreign relationships – and could it even lead to more dynamic shifts in Iranian politics?

Iranian president Hassan Rouhani has stated that the JCPOA is, “a beginning for creating an atmosphere of friendship and co-operation with various countries.” In contrast, Iran's Supreme Leader, Grand Ayatollah Ali Khamene'i, continues to assert that Iran's foreign policy must not change as a consequence of the agreement.¹² It should also be noted that the country's own population has more or less stated their approval for the JCPOA during the February 2016 parliamentary election cycle; reformist and moderate candidates, who are in favor of easing tensions with the West, won a majority of seats in the country's legislative assembly.¹³ With all things considered, I assess that Iran's hardline policies will likely soften in the long-term, and that the U.S. could even be on the brink of normalizing relations (in several years) with the country. Rouhani has shown at times to be a careful leader, committed to constructive engagement, and his administration is already open to Iranian ties to multilateralism as evidenced by the decision to restart P5+1 nuclear negotiations and the proposal of a security and cooperation arrangement in the Persian Gulf. With this, Iran is beginning to show the world a different and much more promising course in both bilateral and multilateral relations.¹⁴ With the implementation of the JCPOA, the subject of

¹² Katzman, 1

¹³ Fisher, Max. “How the Nuclear Deal Boosted Iran's Moderates — and showed Iranian Elections can Matter.” *Vox*. March 2, 2016. Accessed March 5, 2016. <http://www.vox.com/2016/3/2/11147102/iran-election-moderates-nuclear-deal>.

¹⁴ Zarif, Mohammad Javad. “What Iran Really Wants.” *Foreign Affairs* 93, no. 3 (May/June 2014): 55–59. Accessed October 6, 2015. <https://www.foreignaffairs.org/articles/iran/2014-04-17/what-iran-really-wants>.

Iran's contentious foreign policy is on the forefront of international relations; the idea that an economically liberal Iran could possibly become a wholly democratic Iran, complete with the favorable policy conditions that either (or both) may bring is of historic significance to consider.

THEORIES ON POLICY: LITERATURE REVIEW

Regarding economic liberalization, democratization, and interstate conflict or contentiousness, there are two primary liberal schools of thought. The first is the democratic peace model, which has been in existence more or less since Immanuel Kant first suggested that "republican constitutions," a "commercial spirit" of international trade, and a federation of interdependent republics would provide the basis for perpetual peace.¹⁵ More recently, the democratic peace model has been examined by Bruce Russett of Yale and John Oneal of the University of Alabama as the relations between dyads observed over time, concluding that, "the pacifist benefits of democracy and trade are statistically significant, substantively important, and robust."¹⁶ The second school of thought, popularized by Erik Gartzke of the University of California at San Diego, and Michael Mousseau of the University of Central Florida, is the idea of the economic or capitalist peace, which states that, "...it is not governing, but rather economic institutions that account for the peace among nations."¹⁷ This viewpoint conceptualizes that economic development, capital market integration, and the compatibility of foreign policy preferences supplant the effect of the

¹⁵ Russett, Bruce M., and John R. Oneal. "The Kantian Peace: The Pacific Benefits of Democracy, Interdependence, and International Organizations, 1885-1992." *World Politics* 52, no. 1 (October 1999): 1. Accessed October 27, 2015.

https://muse.jhu.edu/journals/world_politics/v052/52.1oneal.html.

¹⁶ Oneal, John R., Bruce Russett, and Michael L. Berbaum. "Causes of Peace: Democracy, Interdependence, and International Organizations, 1885-1992." *International Studies Quarterly* 47, no. 3 (2003): 371-93. Accessed October 27, 2015.

<http://onlinelibrary.wiley.com/doi/10.1111/1468-2478.4703004/pdf>.

¹⁷ Mousseau, Michael. "The Democratic Peace Unraveled: It's the Economy." *International Studies Quarterly* 57, no. 1 (October 2012): 194. Accessed December 1, 2015.

<http://onlinelibrary.wiley.com/doi/10.1111/isqu.12003/pdf>.

democratic peace – ultimately preventing wars and militarized interstate disputes (MIDs).¹⁸ More recently, some scholars have put forth the notion that both democratic and capitalist peace models are separate parts of a state's complex organization; many circumstances link “good governance” and high quality government institutions. This means that although democracies may be a strong predictor of human rights (or quality of life) in governance, capitalist economic structures also account for pacifism.¹⁹ A closer look at all of these concepts is required in order to move forward on what they could mean for Iran.

Democracies interact more peacefully with each other than do other pairs of states – this empirical association, known as the democratic peace, is the foundation of many explanations into state interactions.²⁰ Immanuel Kant's idea of perpetual democratic peace was a “tripod” of democracy, economic interdependence, and international organizations, each leg intended as a tool in the prevention of recurring international conflict.²¹ The modern idea that democracy causes peace has been elaborated, formally and informally, in many theoretical and statistical studies; while there is no consensus in *how* democracy causes peace between nations, the weight in evidence of the pacifying effects of democracy (liberal norms, free press, declining benefits of conquest, signaling,

¹⁸ Gartzke, Erik. “The Capitalist Peace.” *American Journal of Political Science* 51, no. 1 (January 1, 2007): 166. Accessed October 13, 2015. <http://www.jstor.org/stable/4122913>.

¹⁹ Teorell, Jan. “A Quality of Government Peace? Explaining the Onset of Militarized Interstate Disputes, 1985–2001.” *International Interactions* 41, no. 4 (August 8, 2015): 648–56. Accessed February 29, 2016. <http://www.tandfonline.com/doi/full/10.1080/03050629.2015.1023434>.

²⁰ Dafoe, Allan, John R. Oneal, and Bruce Russett. “The Democratic Peace: Weighing the Evidence and Cautious Inference.” *International Studies Quarterly* 57, no. 1 (October 2012): 201. Accessed October 27, 2015. <http://onlinelibrary.wiley.com/doi/10.1111/isqu.12055/pdf>.

²¹ Choi, Seung-Whan. “Beyond Kantian Liberalism Peace through Globalization?” *Conflict Management and Peace Science* 27, no. 3 (July 2010): 272. Accessed October 6, 2015. <http://cmp.sagepub.com/content/27/3/272>.

and constraints on leaders and the state) is substantial.²² Democratic norms teach politicians how to compete for power through an emphasis on the rule of law and how to govern without resorting to violence.²³ Studies by ONeal and Russett (and Michael Berbaum of the University of Illinois at Chicago) have found that dyads employing democratic governments are eighty-six percent less likely to engage in fatal disputes than if one of the states is an autocracy; this significant and robust statistic has remained a centerpiece of democratic peace theorists for decades.²⁴ Recent ongoing study of the topic has evidenced that democratic peace continues to have a statistically discernible and substantively important effect in the post-Cold War era. A 2013 article by Johann Park of Mississippi State University demonstrated that even though new democracies (since 1989) haven't immediately enjoyed the benefits of peace, joint democracy continues to abate interstate conflict by a likelihood of 50.8% in the post-Cold War era when accounting for a lag time (one year) of new democracies joining the international system.²⁵ Assuming Iran is to be a "new" democracy in the future, recent studies on democratic peace do surmise the country may eventually enjoy a pacifist relationship with the world.

Primary criticism of the democratic peace model has focused on the lack of factors that connect democracy and peace – as well as the point that in discerning

²² Dafoe, Allan, and Bruce Russett. "Does Capitalism Account for the Democratic Peace? The Evidence Still Says No," in *Assessing the Capitalist Peace*, edited by Gerald Schneider and Nils Petter Gleditsch, 110–112. Abingdon, UK: Routledge, 2013.

²³ Park, Johann. "Forward to the Future? The Democratic Peace after the Cold War." *Conflict Management and Peace Science* 30, no. 2 (April 2013): 179. Accessed March 2, 2016. <http://cmp.sagepub.com.libproxy.wustl.edu/content/30/2/178.short>.

²⁴ ONeal et al., 387-388

²⁵ Park, 188-190

democratic peace, several variables are included in literature (involvement in intergovernmental organizations for example) that don't focus on the primary evidence for causation from democracy to peace.²⁶ According to Gartzke, numerous studies have been conducted that show negative statistical associations between dyadic democracy and MIDs, especially in the post-World War II period; he believes theories on democratic peace persist because it is difficult to account just for the special dyadic nature of democracies – as in democracies do not go to war with states that they perceive as democratic, but may fight with unrecognized democracies.²⁷ This point brings about one of the more prominent criticisms of the model – democratic states sometimes do engage in covert intervention, or forcible regime change, against other democracies. Michael Poznansky, of the University of Virginia, has noted that the democratic peace model holds that once states enter democracy, they are expected to persist and stay this way; in other words, the model doesn't allow for democracies to decay. Using case studies of U.S. intervention in Iran in 1951-53 and Chile in 1970 to account for instances of interstate conflict between democracies, Poznansky evidences that when a democracy does begin to decay, other democracies may intervene if they feel action against the decaying state is within their interest.²⁸ Another contemporary counterargument to the democratic peace model holds that large quantities of public property (a structural feature of an economy opposite of capitalism) increases the risk of armed conflict by creating a commitment problem between

²⁶ Mousseau, "The Democratic Peace Unraveled: It's the Economy," 186

²⁷ Gartzke, "The Capitalist Peace," 168-169

²⁸ Poznansky, Michael. "Stasis or Decay? Reconciling Covert War and the Democratic Peace." *International Studies Quarterly* 59, no. 4 (December 2015): 817-24. Accessed March 2, 2016. <http://onlinelibrary.wiley.com.libproxy.wustl.edu/doi/10.1111/isqu.12193/full>.

nations.²⁹ In the end, although the democratic peace model can account for pacifism between developed democracies, there are still many variables to consider when accounting for a future Iranian foreign policy as a whole.

Turning specifically to the capitalist peace model, introduced by Gartzke in 2007, the explanation for the relative peace between democracies has been the rise of global capital markets, which has created new mechanisms for competition and communication; in short, peace ensues because states lack differences worthy of the cost of war.³⁰ The idea of markets being a deterrent to war dates back to Adam Smith and Thomas Paine (who noted that, "commerce diminishes the spirit, both of patriotism and military defense"),³¹ and surmises that economic norms, institutionalized market "contractualism" between states,³² and capitalism specifically make states less contentious, and supersede the democratic peace.³³ Gartzke's studies have shown that the impact of free markets and limited government is substantial; the freest economic states experience conflict less than one percent of time in a given timespan while the least economically free nations are about fourteen times as conflict prone.³⁴ Mousseau's contractualist research has demonstrated that peace happens because markets are positive-impact; states that prefer to trade (nations with

²⁹ Teorell, 656

³⁰ Ibid., 166-167

³¹ Ibid., 170

³² Mousseau, Michael. "Grasping the Scientific Evidence: The Contractualist Peace Supersedes the Democratic Peace." *Conflict Management and Peace Science*, forthcoming (January 28, 2016): 1. Accessed March 6, 2016.

<http://cmp.sagepub.com/content/early/2016/01/28/0738894215616408.abstract>.

³³ Schneider, Gerald. "Peace through Globalization and Capitalism? Prospects of Two Liberal Propositions." *Journal of Peace Research* 51, no. 2 (August 2013): 173-174. Accessed December 2, 2015. <http://jpr.sagepub.com/content/early/2013/08/22/0022343313497739.abstract>.

³⁴ Gartzke, "Economic Freedom and Peace," 33-36

contract-intensive economies) have interests in other state's welfare and security even if they have little or no direct trade interdependence between them.³⁵ The research of both scholars has shown that democracy doesn't necessarily correlate to peace and that the least and most democratic states are both as likely to experience disputes.

The case for peace achieved through economic freedom is not without detractors; Seung-Whan Choi of the University of Illinois at Chicago has made note that Gartzke's work contains biased mathematics and samples that caused some states and dyads to become overly emphasized relative to their actual impact on conflict theory.³⁶ Some contemporary critics of the capitalist peace theory have pointed out that World War I was a failure of economic interdependence; it should be noted however, that in response Gartzke has revealed evidence that the war actually began between less-interdependent powers (Serbia and Austria-Hungary) and that the economic linkages of the day actually served an important role in the de-escalation of crises that may have resulted in earlier war (linkages that are much more pronounced today).³⁷ James Lee Ray of Vanderbilt University has written (in a purposely simplified manner) that Gartzke's, Weisiger's, and Mousseau's summarization of the democratic peace is "democratic states avoid war primarily because they like one another,"

³⁵ Mousseau, "Grasping the Scientific Evidence: The Contractualist Peace Supersedes the Democratic Peace," 14

³⁶ Choi, Seung-Whan. "Re-Evaluating Capitalist and Democratic Peace Models." *International Studies Quarterly* 55, no. 3 (September 1, 2011): 760-762. Accessed October 6, 2015. <http://onlinelibrary.wiley.com/doi/10.1111/j.1468-2478.2011.00674.x/abstract>.

³⁷ Gartzke, Erik, and Yonatan Lupu. "Trading on Preconceptions: Why World War I Was Not a Failure of Economic Interdependence." *International Security* 36, no. 4 (April 1, 2012): 116-117. Accessed March 6, 2016. http://www.mitpressjournals.org/doi/abs/10.1162/ISEC_a_00078.

stating that as capitalist/contractualist theorists they fail to account for democratic states' superior abilities to make credible commitments to avoid war with each other. He notions that China and Russia, two states that are not as capitalist or contract intensive as the U.S., are actually more responsive to orthodox international law or traditional notions of sovereignty than the latter.³⁸ Even the important theorists within the economic peace models don't completely agree with all the findings within their subject matter; Mousseau believes Gartzke's research shows a disjuncture between trade and free markets with development, which doesn't actually explain the apparent peace among nations with advanced economies.³⁹

My own observations and study of the subject of democratic and economic peace has led me to assess that there are likely several different factors that contribute to pacifism between nations; there is more to peace than just democracy or capitalism. Market economies likely drive beneficial, and therefore "peaceful," relations between countries and democracies provide the benefit of rule of law and fair, capable governance. In the words of Ray, perhaps the fairest verdict is that democracy and contractualism are reciprocally related,⁴⁰ and indeed, as Teorell has observed, the overall factors that contribute to a high quality government trump the influence of a single variable, such as democracy

³⁸ Ray, James Lee. "War on Democratic Peace." *International Studies Quarterly* 57, no. 1 (March 2013): 200. Accessed March 6, 2016.

<http://onlinelibrary.wiley.com.libproxy.wustl.edu/doi/10.1111/isqu.12029/full>.

³⁹ Mousseau, Michael. "Coming to Terms with the Capitalist Peace," *International Interactions* 36, no. 2 (May 2010): 185-186. Accessed December 2, 2015.

<http://www.tandfonline.com/doi/full/10.1080/03050621003785074>.

⁴⁰ Ray, 199

or capitalism.⁴¹ States don't need to enter conflict when they depend on foreign direct investment, profit from multinational corporations, and trade that requires mutual dependence; in addition, advanced state's increased financial access to other states makes military imperialism unnecessary in the procurement of resources. For example, the fact that China has become Taiwan's largest trading partner despite the antagonism between these states demonstrates that trade and economics means far more than historical "national interest."⁴² At the same time, democracies are more transparent than autocratic governments, and their political structures make it more difficult for leaders to significantly escalate a conflict due to governmental checks and balances and domestic political costs.⁴³

Taking it one step further, I postulate that globalization and economic interdependence are mechanisms that can lead to democratization, which for all intents and purposes means that economic peace theories are more likely to create favorable conditions for pacifism – initially. Emanuele Castelli (University of Bologna) and J. Tyson Chatagnier (Vanderbilt) have noted, and I strongly agree, that capitalist peace theory has a key argument for coming first, which lies in its independent variable of economic development. This variable is essentially irreversible (for example, it is virtually impossible for an industrializing nation to revert to an agrarian society) while developing democracies can and do backslide

⁴¹ Teorell, 66

⁴² Sullivan, Michael Rolland. "'Tear Down These Walls': Economic Globalization and the Future of Interstate War." *Mapping Politics* 5, no. 1 (November 12, 2013). 8-10. Accessed October 6, 2015. <http://journals.library.mun.ca/ojs/index.php/MP/article/view/910>.

⁴³ Castelli, Emanuele, and J. Tyson Chatagnier. "From Democracy to Capitalism: The War over the Liberal Peace." *Rivista Italiana Di Scienza Politica* 43, no. 3 (December 2013): 440. Accessed March 6, 2016. <https://www.rivisteweb.it/doi/10.1426/75247>.

to authoritarianism.⁴⁴ The idea of interdependence of several elements has been elaborated on by Choi, who links economic interdependence with democracy and intergovernmental organizations as part of a Kantian tripod,⁴⁵ and Gerald Schneider (University of Konstanz in Germany), who believes the subject needs more research all around.⁴⁶ Castelli and Chatagnier have also positively noted that it is good news overall for liberalism that democratic and capitalist peace scholars have engaged each other more recently; both sides have contributed significantly to an understanding of international conflict and greatly improved research programs.⁴⁷ I assess it is possible, as these theorists and several others have noted, that the arguments of democratic and capitalist peace can complement each other; the criticism of the democratic peace model as using too many variables should instead be looked at as all-encompassing, even if a shift to a free-market economy is the first step in a gradual decline in foreign policy hostility. Ultimately, all sides can agree on one important point – the end goal of all liberalism is lasting peaceful international behavior.

Looking at the evidence surrounding Iran, I predict the implementation of the JCPOA (among other things) will likely be the impetus for long-term change in the country's current hostile diplomatic relations with the U.S. and West. With the prospect of an economy back on the world stage and the potential benefits offered by globalization, Iran's leadership will begin to prefer non-violent behavior in ending international disputes. Economic liberalization will also likely

⁴⁴ Ibid., 444

⁴⁵ Choi, "Beyond Kantian Liberalism Peace through Globalization?," 277

⁴⁶ Schneider, 179-180

⁴⁷ Castelli and Chatagnier, 443-444

lead to possible political change further down the road; Gartzke has noted that national leaders tend to change their rhetoric (or “bluffs”) when faced with making money for the investors in their country.⁴⁸ The very participation in the JCPOA in 2015 showed Iran’s leadership moving towards a more pragmatic approach in foreign policy; it is possible the anticipated economic growth after the removal of sanctions is softening the country’s behavior. Will this be expected to fully occur and what (democracy, economic liberalization, or both) will be the final catalyst for Iran’s change? Can this model for Iran be looked at as a model for future acrimonious states? For the question of a positive outlook to Iran’s contentious foreign policy, the research design methods and results henceforth will try to ascertain whether a change can be expected if Iran is democratized, economically liberal, or a combination of both as a result of economic policy shifts.

⁴⁸ Gartzke, Erik, and Quan Li. “War, Peace, and the Invisible Hand: Positive Political Externalities of Economic Globalization.” *International Studies Quarterly* 47, no. 4 (November 2003): 562-563. Accessed October 6, 2015. <http://onlinelibrary.wiley.com/doi/10.1046/j.0020-8833.2003.00279.x/full>.

RESEARCH METHODS

In order to discern a causal link between democracy and economic liberalization with regards to Iran's potential future foreign policy, a mixed-method research design is required to show both real-life contextual understandings along with calculated theory in order to give a multi-level perspective. The two research methods used in this project are case-study analysis and statistical models. The case study design gives researched examples of three states that had formerly hostile views of the U.S. and the West and how their own policy changes in the last thirty years have influenced that relationship. After these case studies, three statistical models are presented using basic T-tests and logistic regression that attempt to show the causation between foreign policy and levels of democracy, levels of economic liberalization, and the final model, which is a combination of both – or how they affect contentiousness together. Logistic regression was chosen because it allows foreign policy to be predicted in a probability between “contentious” or “not-contentious”. The controls in these models are several countries with formerly antagonistic relations with the U.S. over a fifty-year timespan (1960-2010). These states (both in the case studies and statistical design) were chosen as controls based on historical analysis of their behavior in the last fifty years; they encompass most of the Eastern Bloc, communist regimes, or countries the U.S. has been at war with (Afghanistan, Iraq, and Vietnam). Both the case studies and the countries used in the statistical models should be pictured as historical representations of the international

position Iran is in today – with caveats that will be explained at the end of this section.

The case study portion of analysis involves a close look at the formerly antagonistic states of China, Vietnam, and Russia. For much of the latter half of the twentieth century, all three of these nations were on the opposite end of positive relations with the U.S.; today they are, more or less (with the exception of sanctions on Russia for their recent annexation of Crimea in the Ukraine)⁴⁹, on good economic terms with Western countries. Regarding present-day relations, Vietnam, for example, has become a boom of private-sector commerce, with a mix of primitive shops and modern international fast-food franchises, banks, and insurance companies – a reality far removed from what may have been thought possible during the Vietnam War.⁵⁰ These three countries were chosen over others to represent possible scenarios for Iran because at one point or another, they singularly viewed the U.S. as an existential threat (as opposed to say Poland, whose ‘contentious’ foreign policy was more likely mirrored after that of the Soviet Union, of which they were a puppet state), just as Iran looks upon the U.S. today. These case studies were each created using secondary sources to show the events and conditions that led to state change and should be viewed as real-life primers for the statistical models that will follow.

⁴⁹ Nelson, Rebecca M. “U.S. Sanctions on Russia: Economic Implications.” *Congressional Research Service* (February 4, 2015): 1-14. Accessed December 1, 2015. <https://www.fas.org/sgp/crs/row/R43895.pdf>.

⁵⁰ Powell, Chris. “It Looks like the U.S. Won the Vietnam War After All.” *Connecticut Post*. July 6, 2012. Accessed September 28, 2015. <http://www.ctpost.com/opinion/article/It-looks-like-U-S-won-Vietnam-War-after-all-3688794.php>.

The logistic regression models that tests the theories behind the effect of democratization and economic liberalization on foreign policy each have the measurable dependent variable of militarized interstate disputes (MIDs). The data for MIDs was obtained through the Correlates of War Project at the University of California at Davis (version 4.1 using the data current up to 2010). MIDs are historical cases of conflict in which the threat, display, or use of military force short of war by one state is explicitly directed towards the government, official representatives, official forces, property, or territory of another state.⁵¹ This standard dataset has been used by nearly all political scientists (from Russett and Oneal to Gartzke) when determining behavior in international relations. For these models, a score of “1” was tallied each time a state had a separate, self-initiated dispute with another state in a given year. The countries used in this statistical analysis are located in Table 1; and as noted, they represent a collection of states with formerly near-unanimous bitter relations with the West, and a few that still do (Belarus, Iran, North Korea, etc). The United States is also included in the study since it provides a contrasting state to the other nations sampled. It should also be noted that some of these nations no longer exist and/or new states were created in their aftermath. Where this occurred, consideration to data was given between the old state and their successor (i.e. Russia from the Soviet Union or Vietnam out of North and South Vietnam).

⁵¹ Palmer, Glenn, Vito D'Orazio, Michael Kenwick, and Matthew Lane. "The MID4 Data Set: Procedures, Coding Rules, and Description, Version 4.1." *Conflict Management and Peace Science*. Forthcoming. Accessed November 10, 2015. <http://cow.dss.ucdavis.edu/data-sets/MIDs>.

These states were also used in establishing data for the independent variables described hereafter.

Afghanistan	Germany (East)	Russia/Soviet Union
Albania	Germany (West)	Serbia and Montenegro
Armenia	Hungary	Serbia
Azerbaijan	Iran	Slovakia
Belarus	Iraq	Slovenia
Bosnia and Herzegovina	Kazakhstan	Tajikistan
Bulgaria	Kyrgyzstan	Turkmenistan
China	Latvia	Ukraine
Croatia	Lithuania	United States
Cuba	Macedonia	Uzbekistan
Czechoslovakia	Moldova	Vietnam
Czech Republic	Montenegro	Vietnam (North)
Estonia	North Korea	Vietnam (South)
Georgia	Poland	Yugoslavia
Germany	Romania	

Table 1: Sampled Countries

The first independent variable of democracy is measured using the Center for Systematic Peace's Polity IV dataset which covers all major, independent states in the global system over the period 1800-2014, examining concomitant qualities of democratic and autocratic authority in governing institutions and assigning a "Polity Scale" (-10 to + 10) of democracy. Polity IV is the most closely scrutinized data series on political issues and is often used by analysts and

experts in academia, policy, and the intelligence community.⁵² The other independent variable of economic liberalization is measured by using states' historical Trade-to-Gross Domestic Product (GDP) ratios; which is trade divided by total exports and imports in a given year. This ratio has been used historically as a measure of a country's integration into the global market economy. The 1970-2010 data for these numbers is obtained through the United Nations National Accounts Main Aggregates Database, which draws upon state's self-reported numbers and the World Bank.⁵³ Data from 1960-69 is obtained through the Statesman's Yearbooks for those represented years; this handbook is published annually by Palgrave Macmillan and serves as a reference guide on the actual political and social conditions of the various states in the world in a given time period.⁵⁴ For the end purposes of this logistic regression statistical design, it is expected that as economic liberalization or democratization improves, the probability of a nation participating in MID's ("contentiousness") will also go down.

As these results are presented in this paper, there are a few factors that must be considered moving forward. The first is that it should be noted in the case studies that each country really only emphasizes the theories behind economic liberalization, as these states are not yet fully "democratic" (which the exception of Russia, whose own federal form of democracy has actually been

⁵² "The Polity Project." *Center for Systematic Peace*. June 5, 2014. Accessed November 10, 2015. <http://www.systemicpeace.org/polityproject.html>.

⁵³ "National Accounts Main Aggregates Database." *United Nations*. Accessed March 11, 2016. <http://unstats.un.org/unsd/snaama/Introduction.asp>.

⁵⁴ *The Statesman's Yearbook*. London: Palgrave Macmillan, 1864. Accessed March 15, 2016. <http://www.statesmansyearbook.com/sybarchives>.

heavily criticized as “not free”⁵⁵); nevertheless, they should still be viewed as viable case studies for potential Iranian behavior, especially as the JCPOA doesn’t have any stipulations about Iranian democracy/political change. A fifty-year timespan was chosen for data collection because it offered the most coinciding time available between all the data sets (Polity IV, UN National Accounts Database, Statesman’s Yearbook, and Correlates of War MIDAs). Data that wasn’t present for some years was not included in the outcomes. Finally, when looking at Iran, it must be recognized that the country is similar to, but still different from, the countries used in the case studies and datasets; for starters, Iran has a religious component that was never a factor for Eastern bloc countries and its commodity economy is already not the same as the planned ones under socialism. Even so, these results can give a glimpse of possible expectations for Iran’s foreign policy in the future.

⁵⁵ “Russia.” *Freedom House*. 2015. Accessed December 4, 2015. <https://freedomhouse.org/report/freedom-world/2015/russia>

**GLOBALIZATION AND NEW RELATIONSHIPS:
CASE STUDIES OF STATE POLICY REVERSAL**

The countries of China, Vietnam, and Russia were at one point or another unfriendly in their dealings with the United States and its Western allies throughout most of the latter half of the twentieth century. Differences were idealistic in nature and each side viewed the other as an existential threat to the culture and way of life in their respective states. Although no one would argue that the West is on excellent terms with these nations in the present, there are, for the most part, underlying arrangements that keep relative peace between these states and their former hated enemies abroad. What has happened over the last few decades to explain this? What made these states grow tired of the fear of (or participation in) conflict? What was the turning point? To make sense of this, and look at how this sort of can behavior predict how Iran may act, a closer look at the historical circumstances for China, Vietnam, and Russia is required.

China

The Cold War was at a zenith during the late 1960s and 1970s; China's Great Proletarian Cultural Revolution had spilled over into several areas of Southeast Asia, the United States was involved in a protracted war against communism in Vietnam, and antagonistic relations among the Americans, Soviets, and Chinese made for massive instability throughout the Asian continent

– let alone the world.⁵⁶ Since the end of World War II, China had been involved in wars in Korea in 1950, against India in 1962, along the northern border with the Soviet Union in 1969, and against Vietnam in 1979; whenever there was a case where China felt threatened, they most frequently chose to go to war rather than risk the alternative.⁵⁷ From this security viewpoint, it would be hard to conceive in 1980 that China would become a game-changer in market transitions and globalization, yet that is exactly what has happened over the past thirty-five years. Remarkable progress has been made in Sino-Western relations; the scope of which was unimaginable when Nixon made his historic visit, and first attempt at forging bonds, in 1972.⁵⁸ What has been the catalyst for bringing China into the mainstream world order? How much of a factor has China's own economic liberalization had on its own foreign policy – are the Chinese a threat? Thanks to globalization, what do China's current state of relations with the West mean for possible Iranian relations?

In advance of China's economic reforms of the late 1970s, nearly all private economic activity was prohibited as the state controlled all facets of the economy. The State Planning Commission set output targets for industries and prices were set by the State Price Commission. Within the country, consumer goods like grain, vegetable oil, cloth, and even manufactured bicycles, were rationed just as

⁵⁶ Severino, Rodolfo. "ASEAN Beyond Forty: Towards Political and Economic Integration." *Contemporary Southeast Asia* 29, no 3 (December 2007):408-409. Accessed March 8, 2016. www.jstor.org/stable/25798845.

⁵⁷ Kissinger, Henry. "The Future of U.S.-Chinese Relations: Conflict Is a Choice, Not a Necessity." *Foreign Affairs* 91, no. 2 (March/April 2012): 50. Accessed April 6, 2015. <http://www.jstor.org/stable/23217220>.

⁵⁸ Russel, Daniel R. "The Future of U.S.-China Relations." *Testimony before the Senate Foreign Relations Committee, U.S. Department of State*. June 25, 2015. Accessed April 6, 2015. <http://www.state.gov/p/eap/rls/rm/2014/06/228415.htm>.

they had been in the 1950s.⁵⁹ The historic December 1978 decision on “reform and opening up,” made at the Eleventh Congress of the Chinese Communist Party, marked the beginning of a new Chinese economic era. Communist officials had a clear desire to raise productivity and living standards in the country and originally sought to do this with “planning supplemented by markets.” Although party leadership at the time may not have had the goal of a full market in mind, the impact of the initial reforms and evolutionary changes brought about during the 1990s have been astounding.⁶⁰ By 2013, China’s GDP was twenty-five times the size of its 1978 output, and the country’s share of global GDP quadrupled from three to twelve percent. The country abandoned autarkic trade to become the world’s largest trading economy and second largest recipient of foreign direct investment.⁶¹ The Chinese experience has shown that institutional reforms in the economy can lead to remarkable successes and position a country as a major player in the global economy.

However, China’s arrival on the world economic stage has brought about new (and renewed) questions on the country’s foreign policy objectives. Thirty-five years after choosing war as a standard response to an international dispute, China’s phenomenal economic growth is now driving its emergence as a great power – a familiar pattern in international politics. Beijing understands the link between economic strength and geopolitical weight; they know with their

⁵⁹ Lardy, Nicholas. *Markets Over Mao: The Rise of Private Business in China*. Washington, DC. Peterson Institute for International Economics, 2014. 11-14.

⁶⁰ Qian, Yingyi. “The Institutional Foundations of China’s Market Transition.” *Annual World Bank Conference on Development Economics*, 1999 (2000): 379-386. Accessed March 8, 2016. <http://www-wds.worldbank.org>.

⁶¹ Lardy, 3

sustained growth they can possibly challenge American and Western world hegemony.⁶² So why haven't they? Or more importantly, will they?

The most likely answer is that even if some individual leaders in China ultimately have fantastic notions to shift global power with the U.S. militarily, China's interdependence within the international economy will constrain it from taking political actions that would disrupt its vital access to foreign markets and capital. With Beijing's continued economic growth comes increased contact and exposure with the outside world; this globalization tempers any offensive foreign policy ambitions and leads to peaceful international relationships.⁶³ China's continued partnership with the Association of Southeast Asian Nations (ASEAN) is evidence that China can be both an influential and amicable player on the world stage. China has been a dialogue partner with the organization since 1996, a venue which allows for cooperation on political and economic issues for all of Asia's endeavors. ASEAN interacts with Beijing on free trade, fishing rights, freedom of navigation, and territorial matters in Taiwan and the South China Sea. The solidarity between the two organizations is at least partly responsible for the fact that Southeast Asian countries are at peace, not only among themselves, but also with others in the region and around the world. State relations such as peaceful settlement of disputes, the rejection of the use of force, and non-interference in others' internal affairs are clear norms in present-day Asia, even with a relatively powerful and dynamic China heeding over the continent.⁶⁴

⁶² Layne, Christopher "China's Challenge to U.S. Hegemony," *Current History* 107, no. 705 (January 2008): 13-14. Accessed March 8, 2016.

http://www.currenthistory.com/pdf_org_files/107_705_13.pdf.

⁶³ *Ibid.*, 14

⁶⁴ Severino, 410-418

There are still some contentious issues between China and West. China still suffers from poor industrial practices and infrastructure bases and, more importantly, an absence of democracy and rule of law.⁶⁵ Even though globalization keeps Beijing in a state of check, they still challenge the U.S. occasionally; China's rise has exposed policy disagreements over questions of nonproliferation, humanitarian intervention, global governance structures, and of course security in the Pacific.⁶⁶ Realism does dictate that as long as China maintains impressive economic growth, a great power and security struggle will likely be unavoidable. In regards to Iran, it is possible that even if the JCPOA does enable the country's economic integration and an unprecedented capital windfall, there remains the possibility for contention, just as there is with China. But like China, no country that is integrated in today's world economy would want to act unilaterally in such a way they are left out of world consideration. As the scholar Marc Lanteigne argued, "[China is] making active use of [international] institutions to promote the country's development of global power status."⁶⁷ In short, China increasingly works from within the Western order – they play by the rules of economic integration and necessity. When assessing the possible behavior of Iran in foreign affairs, a country with far less people than China and with a commodity economy already in place, it can be ascertained that

⁶⁵ Qian, 378

⁶⁶ Drezner, Daniel. "Bad Debts: Assessing China's Financial Influence in Great Power Politics." *International Security* 34, no. 2 (Fall 2009): 21. Accessed March 8, 2016. <http://www.mitpressjournals.org/doi/pdf/10.1162/isec.2009.34.2.7>.

⁶⁷ Ikenberry, G. John. "The Rise of China and the Future of the West: Can the Liberal System Survive?" *Foreign Affairs* 87, no. 1 (January/February 2008): 31-32. Accessed March 8, 2016. <http://www.jstor.org/stable/20020265>.

they too will follow the rules of integration and economic cooperation – as with China, their viability will depend on it.

Vietnam

In the aftermath of the Vietnam War, the worldview of communist leaders in newly unified Vietnam was one of distrust, antagonism, and a belief that their triumphal development would occur despite the international environment, not because of it. Vietnam’s rulers were paranoid about foreigners and external threats, and they viewed the world in profoundly realist terms; a world where the “strong did what they will and the weak did what they must.”⁶⁸ And yet, thirty years since the launch of the *Đổi Mới* (economic renovation) reforms in 1986, Vietnam has moved from a closed, centrally planned economy to a globally integrated, “socialist-oriented” market economy – complete with middle-income status, impressive progress in alleviating poverty, and per capita GDP growth of 5.5 percent a year since 1990.⁶⁹ A nation that was formerly hostile and antagonistic has embraced the U.S. as a major trading partner and encouraged social freedoms throughout the country (even more so than China).⁷⁰ The two governments share a “comprehensive partnership” that covers political, diplomatic, and security cooperation, trade and economic ties,

⁶⁸ Elliott, David W.P. *Changing Worlds: Vietnam's Transition from Cold War to Globalization*. New York: Oxford University Press, 2012. xi; 5-6.

⁶⁹ *Vietnam 2035*. Washington, DC: The World Bank and the Ministry of Planning and Investment of Vietnam, 2016. Accessed March 15, 2016.
<https://openknowledge.worldbank.org/handle/10986/23724>. 1-5

⁷⁰ Elliott, 4

science/technology/education/health issues, and even the promotion of human rights and culture protection.⁷¹ These are two countries that despised each other, viewed one another as existential threats, and yet today share a fruitful relationship. What changed in the economic sphere that impacted the security sphere for Vietnam? Can these types of changes work in Iran too?

When *Đổi Mới* began, Vietnam was an impoverished country on the brink of an economic catastrophe. Annual inflation was over 400 percent and the nation relied mostly on foreign aid to survive. A fear of “falling behind” and being unable to survive in a world where power equates to economic success⁷² lead Vietnam to initiate *Đổi Mới* and economic revitalization, choosing to be pragmatic and flexible, and focus on their human capital and labor-intensive agricultural industries, while committing to strategic external trade agreements. From 1986 to 2015, major steps taken towards economic integration were the 1988 de-collectivization of agriculture, the creation of tradable land-use rights in 1993, and the 1996 Foreign Investment Law and liberalization of the trade regime, which paved the way for entry into ASEAN in 1996 and the World Trade Organization (WTO) in 2007.⁷³ Vietnam’s assimilation and socialization into economic and security intuitions such as these were key to the country’s acceptance and internalization of a new non-interventionist behavior in foreign relations. International institutions gave Vietnam a shared perspective and much

⁷¹ Hayton, Bill. *Vietnam and the United States: An Emerging Security Partnership*. Sydney, Australia: The United States Studies Centre at the University of Sydney, 2015. 20. Accessed March 8, 2016. <http://ussc.edu.au/ussc/assets/media/docs/publications/Emerging-Asia-Reports/MacArthur-Vietnam-ONLINE.pdf>.

⁷² Elliott, 10

⁷³ *Vietnam 2035*, 3-5

of their foreign cooperativeness and lack of hostile resolve over the past twenty years can be attributed to Vietnam's participation in these organizations.⁷⁴

Regarding the impacts Vietnam's new international involvement had its formerly hostile relations with the West, trade between the United States and Vietnam resumed in 1994, the year before both nations restarted diplomatic relations. In 2003, the trade and diplomatic relationship began to take on one of security as well when Vietnam formerly removed communist ideology from defense requirements. That same year, the Vietnamese defense minister visited the U.S. and an American warship made a port of call in Vietnam for the first time in twenty-eight years. In 2008, the two sides began strategic dialogue over defense policy and Vietnam even requested U.S.-made military equipment to repair the materials still in the country's possession from South Vietnam.⁷⁵ From 2008-2009, Vietnam was a non-permanent member of the United Nations Security Council (UNSC), a prime example of Vietnamese foreign security cooperation in the world post- *Đổi Mới*. As President of the UNSC in July 2008 and October 2009, Vietnam initiated open debates on the protection of children and women in armed conflict, peace, and security. The debate resulted in the adoption of Resolution 1889, wartime protection for these groups – the first resolution Vietnam successfully led in thirty years of UN participation. The country's strategies while on the UNSC showed Hanoi's approach to preventive strategies in armed conflict and a comprehensive approach to stopping the root

⁷⁴ Khong, Thi Binh. "Vietnam in International Institutions." Doctor of Philosophy thesis, Victoria University of Wellington, 2014: 10-31. Accessed March 8, 2016. <http://researcharchive.vuw.ac.nz/xmlui/handle/10063/3322>.

⁷⁵ Hayton, 20-23

causes of war.⁷⁶ Vietnam, a country that was once paranoid about regime survival, had turned the page over from a contentious foreign policy into one of relative peace.

As with the earlier case of China, Vietnam is not completely absolved yet. The country still relies heavily on agriculture with job creation in manufacturing plateauing at relatively low levels, much of the services industry remains mostly informal, a significant divide still exists between the rich and the poor, and economic growth has come at a the major expense of the environment. More importantly, the country lacks a modern democratic society, complete with rule of law, and a fully established market economy.⁷⁷ So long as Vietnam remains a communist state, their relationship with the U.S. will always be somewhat limited. Even so, there is little doubt the two nations enjoy mutual interests and will pursue further openings with each other.⁷⁸ If Iran is viewed through the same vein as Vietnam was thirty years ago, a nation for which the West has an intense abhorrence for, with an economy on the outside of the world market, then it can be presumed that, like Vietnam, economic liberalization will go a long way in supporting relations – more so than democracy. Similar to Vietnam’s own experiences on economic liberalization, Iran being included in international agreements and organizations will likely have a positive effect on a future Iranian government’s outlook in the world.

⁷⁶ Khong, 141-151

⁷⁷ *Vietnam 2035*, 6-16

⁷⁸ Hayton, 25-26

Russia

For seventy years, the Soviet Union was the epicenter of the communist, authoritarian governments of Central Europe and Asia; from Albania to Yugoslavia, Moscow-directed planned economies had relied on heavy industry, state-owned property, and propaganda to fuel the appearance of fiscal success.⁷⁹ In reality, by the 1980s life in the Soviet Union was representative of a “third-world” country, whose leadership was primarily concerned with military might to ensure the regime’s survival and defense. Moscow’s primary contradiction of this military might was the startling fact that yearly Soviet real economic growth was only 0.6 percent during the first half of the 1980s and the country had been economically stagnant since 1979. The nation had to reform or else it faced a serious crisis – the possibility of a new ‘revolution’. Mikhail Gorbachev, the leader of the Soviet Communist Party, recognized this reality, and in 1985 began the initial stages of accelerating the nation’s social-economic development (known as *perestroika* and *glasnost*) to revitalize and save the country. Changes included new monetary investment policies, improved wage and waste controls, and the reining in of corruption. Although there was a burst of economic activity that broke two decades of stagnation, Gorbachev ultimately felt that the time was likely drawing close for democracy to prevail in the country.⁸⁰ On Christmas Day

⁷⁹ Schleifer, Andrei and Daniel Treisman. “Normal Countries: The East 25 Years after Communism” *Foreign Affairs* 93, no. 6 (November/December 2014): 92-93. Accessed March 8, 2016. http://scholar.harvard.edu/files/shleifer/files/normal_countries_draft_sept_12_annotated.pdf?m=1412109950.

⁸⁰ Åslund, Anders. *Russia's Capitalist Revolution: Why Market Reform Succeeded and Democracy Failed*. Washington, DC: Peter G. Peterson Institute for International Economics, 2007. 11-43.

1991, the Union of Soviet Socialist Republics was officially dissolved, and the Russian Federation was born in its place.⁸¹ Did the economic changes that occurred during *perestroika* create favorable conditions for democracy to develop? Did democracy or Gorbachev's economic liberalization thaw Russia's relations with the U.S.? Must Iran be fully democratic in order for lasting peace to occur between the country and the West?

The biggest achievements of Russia's "capitalist" revolution of 1991-1993 were the peaceful dissolution of the Soviet Union, the building of market economic institutions, and privatization. Despite Gorbachev's initial pushes for radical democratization in the wake of *perestroika*, his successor, Boris Yeltsin, opted to minimize political reform. He demanded to rule by a far-reaching decree, giving him the power to appoint all ministers and adopt major decisions, a compromise that was allowed so Yeltsin could focus on successfully dissolving the Soviet Union. This decree, agreed upon while the Russian Federation was in a fragile state, along with the fact there were no detailed conceptions of what democracy entailed in Russia, resulted in Russia becoming stuck in a semi-democratic state early on. From then on, Russia has persistently become a less democratic state, even while it became a market economy after a few years of transition, with no significant signs of reversal.⁸²

⁸¹ Junisbai, Barbara. "Improbable but Potentially Pivotal Oppositions: Privatization, Capitalists, and Political Contestation in the Post-Soviet Autocracies." *Perspectives on Politics* 10, no. 4 (December 2012): 891. Accessed March 8, 2016. <http://www.jstor.org/stable/23326924>.

⁸² Åslund, Anders. Why Market Reform Succeeded and Democracy Failed in Russia. *Social Research: An International Quarterly* 76, no 1 (Spring 2009): 2; 13-16. Accessed March 8, 2016. <https://muse.jhu.edu/article/527650>.

In the late 1980s as part of *glasnost* and his concept of an interconnected and interdependent Soviet Union, Gorbachev scaled back Soviet foreign policy costs and agreed to major arm control agreements with the U.S. The new thinking on Soviet foreign policy during this era was one of “mutual advantage”.⁸³ Just after the Soviet collapse, Russia initially thought it could maintain its role as a great power roughly equal to the United States in the international system, however throughout the 1990s, a series of economic implosions and the fragmented political order showed this to be an unrealistic expectation.⁸⁴ As the 2000s began, Russia’s new market economy finally began to feel impressive economic progress. Growth has been around seven percent annually since 1999, and the country’s GDP increased nine times in nine years from \$196 billion in 1999 to \$1.8 trillion in 2008, making Russia the eighth-largest economy in the world.⁸⁵ Although not at the same levels as during the Soviet period, this politically stable and economically resurgent Russia has become more willing to project power abroad, as evidenced by “aggressive actions” (i.e. 2008 Georgian War and 2014 Invasion of Crimea) during the twenty-first century.⁸⁶

Today, even as post-Soviet optimism and economic liberalization led to some greater political participation and hopes for democracy, Russia has ended up becoming a “competitive authoritarian” country, especially under the current leader, Vladimir Putin.⁸⁷ However, even without this full transition to democracy

⁸³ Åslund, *Russia's Capitalist Revolution*, 33-36

⁸⁴ Rutland, Peter. “Still out in the Cold? Russia’s Place in a Globalizing World.” *Communist and Post-Communist Studies* 45, no. 3-4 (September – December 2012): 344. Accessed March 8, 2016. <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.466.1537&rep=rep1&type=pdf>.

⁸⁵ Åslund, “Why Market Reform Succeeded and Democracy Failed in Russia”, 19

⁸⁶ Rutland, 344

⁸⁷ Junisbai, 892

and a resurging intrusive foreign policy, Russia is still not behaving to the degree one might have expected of the Soviet Union. Economically, Russia's interests are closely tied to Europe. The European Union accounts for fifty percent of Russia's trade, and two post-Soviet states located in Europe (Belarus and Ukraine) account for another twenty percent. Although, Russia does have perceptible fears about encroachment on its "near abroad" and missile defense systems in Europe, similar to China, Moscow's involvement in the international system as a recognized market economy predates Russia's own identity politics. Russia and the U.S. may have a "love-hate" relationship, but when the U.S. needed to transit troops and equipment across Russia to join the NATO-led war in Afghanistan, Moscow granted this requirement.⁸⁸ Not only does this agreement protect Russia's southern flank from Islamic terrorists, it also ensures a positive, albeit quiet, trend for U.S. and Russian relations.

Ultimately in the case of Russia, time will tell how the country behaves over the long term. Cultivating ties with the EU and U.S. over trade agreements or troop movements may not matter if Russia is unable to get its political system in order. If one subscribes to the modernization theory, Russia's current political system is not likely to be stable; the country is too rich, too economically pluralist, and too educated, to be so authoritarian and corrupt. This contradiction between an 'obsolete' political system and a modern economy and society may be unlikely to be tenable.⁸⁹ But, the country also seems to be moderately (and comparatively) well-off without full democratization. Some scholars may claim

⁸⁸ Rutland, 346-348

⁸⁹ Åslund, "Why Market Reform Succeeded and Democracy Failed in Russia", 21-22

that rapid and ongoing economic reform may buttress democratization, and that strong economic activity is a bulwark against despotism⁹⁰ - but these outcomes haven't fully occurred in Russia yet, despite all the signs that they should have. Even after reigniting some of its more latent foreign policy rhetoric, it seems for now that the economic liberalization Gorbachev started in the 1980s has prevented Russia from acting completely irrationally. More so than with China, and definitely more than Vietnam, Russia is proof that an antagonistic nation like Iran can be counted on to remain calm when integrated economically – even if full democratization has yet to (or won't) occur.

In summary of the case studies of China, Vietnam, and Russia, it can definitely be determined that economic liberalization in all three cases has led these states to (mostly) drop their contentious foreign policies. All three countries are also evidence that democratization doesn't always need to occur for a state to join the global economy and benefit from the peace it can provide. It can be ascertained that, in the case of Iran, although democratization and political restructuring may occur, it will be economic liberalization that is first mostly likely to create a country more willing to work with the international community.

⁹⁰ Fish, M. Steven and Omar Choudhry. "Democratization and Economic Liberalization in the Postcommunist World." *Comparative Political Studies* 40, no. 3 (March 2007): 256-257. Accessed March 8, 2016. <http://cps.sagepub.com/content/40/3/254.full.pdf>.

**FORECASTING CONTENTION WITH DATA:
A STATISTICAL LOOK AT STATE POLICY REVERSAL**

Although these three case studies give credence to the likely outcome for Iran's future foreign policy in a historical context, I reasoned that in order to form a more complete analysis of all the possibilities for Iran in a JCPOA environment, I had to look at raw data and analyze it accordingly. As noted earlier, logistic regression was chosen for this section due to its ability to predict probability in regards to MIDs (the contention) and levels of democracy and economic openness. The countries included in these models have been noted previously in Table 1; I will reiterate here that they are a smaller sample of states with previously contentious relationships with the United States and its allies. I have very little formal training in statistical analysis, so the results listed here were created using IBM SPSS statistics software with the assistance of a trained statistician. The conclusions however, remain my work and assessment of the data.

Democracy and MIDs

Before running SPSS for logistic regression, a T-test was created to see if there would be a statistically significant relationship between democracy (the data from Polity IV) and MIDs. As stated when laying out this design, when a country initiated a dispute, they were given a score of "1" and "0" when they did not.

MIDS	Mean	Standard Deviation	Standard Mean Error
Initiated Dispute	-2.1411	7.35644	.33754
Did not Initiate Dispute	-.7544	7.76067	.27404

Table 2: Democracy T-test

It can be noted in this test that there is a relationship between democracy and MIDs; those states that are more likely to initiate a dispute did so by nearly one and a half points on the Polity scale. For the period of 1960-2010, the countries in the sample with an average higher score of -.75 (on a -10 to +10 scale) were less likely to initiate conflict or show aggression than those countries with a lower democracy score (the average of those states being -2.14). As I had speculated with researching the democratic peace, there is a measurable effect of democracy on militarized interstate disputes.

	Coefficient/ Intercept	Standard Error	Significance
Polity (Democracy)	-.024	.008	.002
Constant	-.559	.060	.000
<i>Overall Percentage</i>			62.8

Table 3: Democracy Logistic Regression

Performing the binary logistic regression test on the country samples in SPSS shows another statistically significant relationship between democracy and MIDs. As a state's Polity score increases, they are 62.8% less likely to participate in an initiated dispute. The significance here is very small, but it does confirm there is a relationship between the variables. Democracy does indeed, for the

sample of countries included in this test, have a measurable impact on a state's peaceful or contentious foreign policy during the time period of 1960-2010. This effect is illustrated through interaction Figure 1:

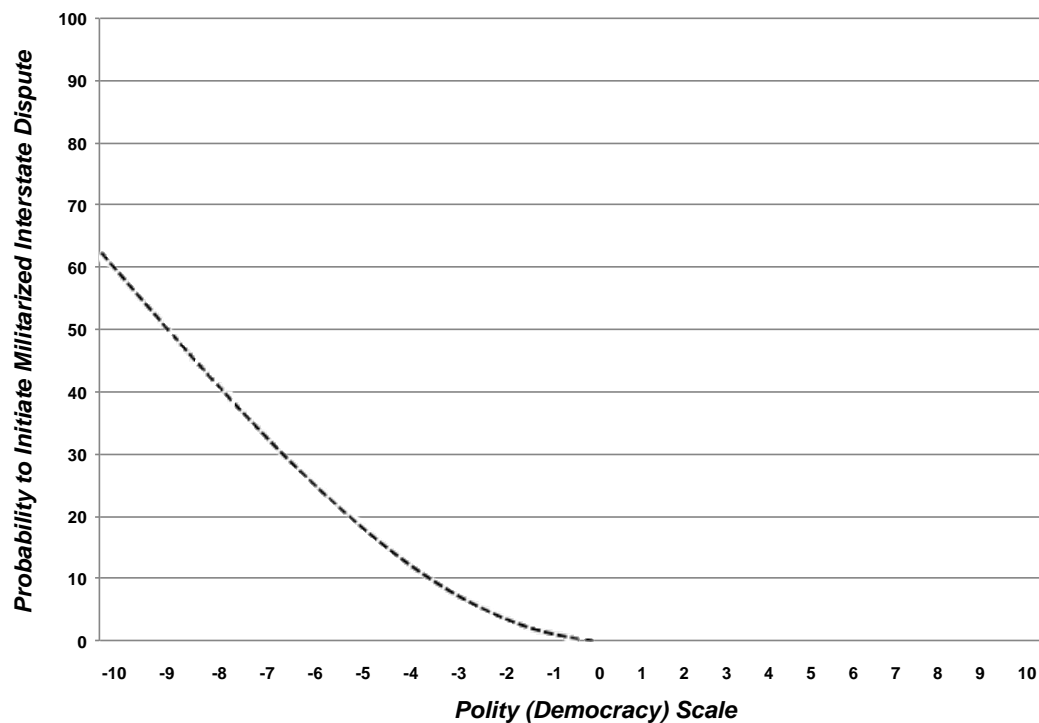


Figure 1: Effect of Democracy on MIDs (not scale)

As annotated in the graph, the higher a nation's Polity score, the less likely they are to initiate dispute. Simply put – democracy is likely an important factor in peaceful international relations.

Economic Liberalization and MIDs

As with the model for democracy, a T-test was first conducted to see if there is a statistically significant relationship between the effects of economic liberalization – in this case the Trade-to-GDP Ratio – and MIDs.

MIDS	Mean	Standard Deviation	Standard Mean Error
Initiated Dispute	.5736	.48763	.02291
Did not Initiate Dispute	.7900	.46968	.01688

Table 4: Economic Liberalization T-test

The higher a state's ratio (or percentage of their GDP that is involved in imports and exports) is a measure of how well integrated into the global economy they are. The T-test shows that over the period of 1960-2010, the sampled countries with a mean Trade-to-GDP ratio of 79% were less likely to initiate disputes than those countries with a lower (mean of 57%) ratio. This number is important and affirms both what I hypothesized and what the research from the literature review indicates: economic liberalization has a strong effect on a nation's foreign policy.

	Coefficient/ Intercept	Standard Error	Significance
Trade-to-GDP Ratio	-1.132	.154	.000
Constant	.222	.115	.052
<i>Overall Percentage</i>			70.3

Table 5: Economic Liberalization Logistic Regression

When looking at the logistic regression model for economic liberalization, the percentage of probability is 70.3%. This indicates that countries with higher Trade-to-GDP ratios are less probable to initiate a dispute just over seventy percent of the time. This particular test, however, is noted by SPSS as being statistically insignificant, meaning that the probability may be too high or the overall effect is just too small to truly distinguish (in this case the data pool from sampled countries may not have contained enough data to predict the hypothesis correctly). Nonetheless, for the purposes of this paper, the logistic regression does show enough of a change to build results from. The effects of economic liberalization are illustrated in Figure 2:

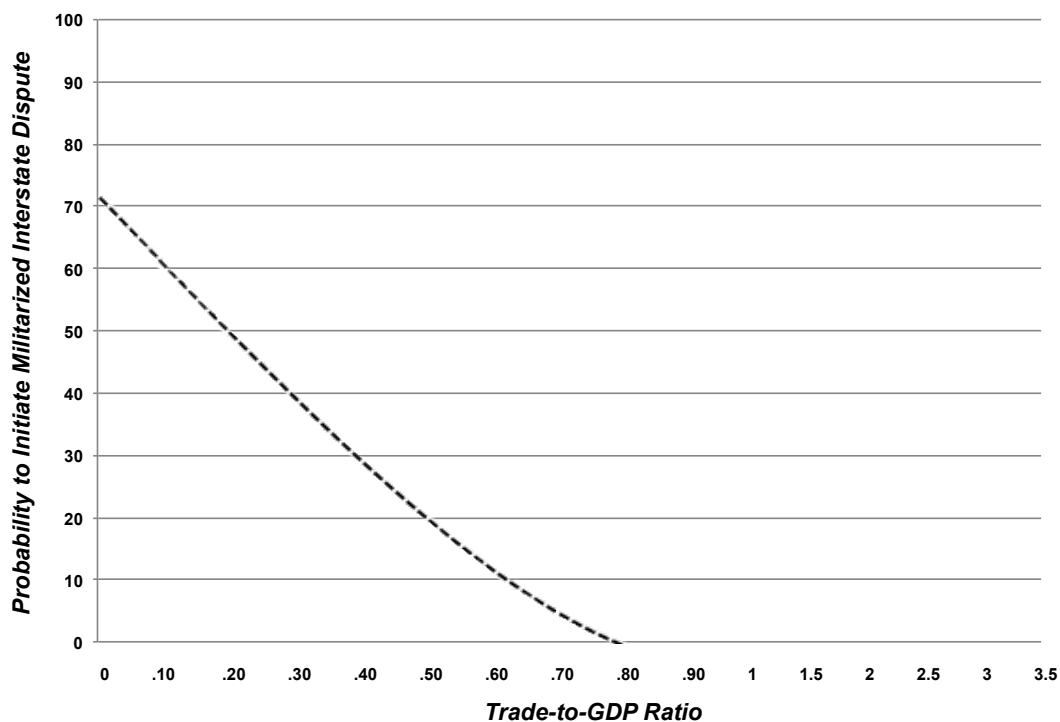


Figure 2: Effect of Economic Liberalization on MIDs (not scale)

Despite an insignificant finding in SPSS, the graph does clearly illustrate that the probability for MIDs goes up the less globally economically integrated a country is. Much like democracy, for this sample economic liberalization does have a measurable impact on how a country will react in regards to foreign policy rhetoric and militarization.

Democracy, Economic Liberalization, and MIDs

The final logistic regression model incorporates both democracy and economic liberalization and their effect on MIDs. After both research and running the first two tests, I have come further to the conclusion that both independent variables have a measurable effect on peace, now the question is if one is more important than the other or if one is required before the other. In this case, regarding Iran, I would speculate that some form of economic liberalization must come first; this was seen in the case studies where both China and Vietnam haven't reached a full democracy and in the fact that when looking at the current events of the JCPOA, Iran isn't any closer to total democracy than before, even with newfound economic integration.

Since both independent variables have already been considered in T-tests, a third T-test was conducted that introduces time to see if there is a statistically significant relationship between MIDs and the effects of economic liberalization and democracy introduced over time. Of the forty-four countries sampled for this study, many of them became more democratic and economically liberal as they approached the present.

MIDS	Mean	Standard Deviation	Standard Mean Error
Initiated Dispute	27.10	14.299	.653
Did not Initiate Dispute	30.37	14.913	.521

Table 6: Democracy/Economic Liberalization, Time T-test

The greater mean of 30.37 shows that countries do become less contentious over a greater period of time (likely due to the increasing levels of democracy and economic liberalization that have been previously tested) versus earlier in the sample (mean of 27.10). Although measurable, this number was statistically insignificant; it shows that time, in this sample at least, isn't the greatest indicator on its own of a less contentious foreign policy. This is likely due to the fact that time as a single variable doesn't account for increasing levels of democracy and economic liberalization.

	Coefficient/ Intercept	Standard Error	Significance
Polity (Democracy)	-.018	.008	.030
Trade-to-GDP Ratio	-1.057	.155	.000
Constant	.162	.117	.166
<i>Overall Percentage</i>			66.4

Table 7: Democracy/Economic Liberalization Logistic Regression

Putting both independent variables in a logistic regression shows that when they are both considered, a sampled state had a 66.4% probability of being less contentious from 1960-2010. This percentage falls somewhat between the predicted probabilities for both variables that has been previously discussed. Of

note, economic liberalization again comes up as a statistically insignificant measure; nonetheless it still raised the overall probability for contentiousness up from Democracy's previous singular probability of 62.8%.

This final test again shows the measured effects of both democracy and economic liberalization, with the statistical significance of Polity scores affirming that perhaps, for this sample and time period, democracy in the end may be an overall better indicator of peaceful foreign relations. It should be noted, however, the data modeled for this study was a relatively small sample across the entire world and for the purposes of this modest experiment, Trade-to-GDP ratios may not be the overall best gauge for successful economic openness.

Ultimately, I assess my hypothesis is proven mostly correct: as expected, the improvement of economic liberalization and democratization decreased the probability of a state's participation in MIDs ("contentiousness"). For Iran, this likely means, just as the case studies show as well, it can be expected that their current contentious rhetoric will subside as the nation becomes increasingly integrated into the global economy thanks to the JCPOA. Democracy however, may be the final key to truly friendly relations with the West.

Additional Considerations on Data and Statistics

Although not part of the final results and implications of this paper, a few more additional statistical tests were conducted from the sampled data to see if there were any further relationships that weren't hypothesized or discussed throughout this study. These included running singular tests looking for

probabilities of dispute in China, Russia, Vietnam, and Iran. A test for just the United States was run as well. Some findings came back both statistically significant and insignificant but ultimately were not included in the results. The SPSS outputs for these tests are located in Appendix C of this study.

One result of note is included here; this was a logistical regression test that that only considered a country's Polity score, Trade-to-GDP ratio, and time in the period of 1990-2010 (post-Cold War).

	Coefficient/ Intercept	Standard Error	Significance
Polity (Democracy)	-.049	.011	.000
Trade-to-GDP Ratio	-1.356	.233	.000
Time	-.016	.014	.269
Constant	32.467	28.919	.262
<i>Overall Percentage</i>			66.6

Table 8: Democracy/Economic Liberalization Logistic Regression (Post-Cold War)

This logistic regression model was found to be mostly statistically significant in showing that in the post-Cold War era, democratic and economically liberal states are 66.6% less likely to initiate disputes. As previously measured for the entire fifty year time period, time again is not statistically significant factor in explaining the tendency of countries to initiate MIDs. It is likely that trends in decreasing contentiousness seen over time are still just an indirect result of the increases in Polity/democracy scores and the Trade-to-GDP ratio.

However, with all things considered, the probability of not initiating a dispute does go up slightly in the post-Cold War world. If one looks at the

historical implications of what the world has looked like since 1990, the test results can be compared to real-life situations and their effects on “peace”; things like the fall of the Berlin Wall, an increasingly integrated China, and the growth of the European Union. Regarding Iran, a positive event (like the passing of the JCPOA) can possibly be looked at as a defining moment that repositions the nation’s direction towards one of more economic unity and peaceful stability – much like the end of the Cold War has created positive environments for many of the countries involved in this study. It goes without saying that further statistical analysis is required to reach a more informed explanation of democratic and economic peace in the post-Cold War world.

THE HIDDEN BOTTOM LINE OF THE JCPOA: IMPLICATIONS FOR IRAN

After three historical case studies and modest statistical analysis of past-antagonistic states, it's now time to turn to Iran and infer what this all means for the country in the long-term. The analysis conducted for this paper does indicate that Iran's foreign contentiousness is likely to subside over time due to the country's eventual economic integration and openness. I assess that due to my research on the literature review, case studies, current events, and results of the statistical models, Iran will ease its antagonistic foreign policy, but lasting peace may not occur until the country ultimately reaches a considerably higher level of democracy.

Going into this design, the study of the literature review and my own understanding of international economics led me to hypothesize that economic liberalization was the more crucial piece to contentious foreign policy reversal and development. The models for logistic regression, however, absolutely show that a state's democracy score is just as (if not more) important to decreasing militarized interstate disputes. Although the sample used in this study was smaller, the numbers do indicate what democratic peace scholars have been championing: democracies are not likely to engage in conflict with other democracies. Iran as a full democracy would certainly be more open, more invested in international institutions, and certainly more accountable for its foreign policy and thus less contentious overall.

Even though logistic regression can offer a scientific decision for the democratic peace theory, the case studies of China, Vietnam, and Russia do show that some level of “peace” may be achieved through economic liberalization – which is important in the case of Iran. The global economy has brought some level of mutual dependence between these formerly contentious states and the West, which has definitely equaled peace overall; but the current environment surrounding Russia does ask questions for what true “decreasing contention” really is. Despite being involved in international economic institutions and having a fairly well established economy, Russia has had, in more recent years, what could be described as a “contentious” foreign policy. Even with its own internal domestic issues, the country has been projecting an increasing amount of power in Europe, the Middle East (Syria) and beyond, indicating Moscow’s desire to be perceived as a global player – a dynamic force to be reckoned with. Russia’s wars with Georgia and Ukraine over the past decade have signaled the country’s willingness to use force to prevent its neighbors from drifting toward the West and to reassert its influence in its near abroad.⁹¹ So when looking at Russia today, the question becomes what level of peace is an *acceptable* level of peace? If the end goal of U.S. foreign relations to have well enough economic relations that the prospect of large-scale conflict is removed, then economic liberalization may be the first and only really necessary element to interstate relations. However, if the end goal is an ally or even just a country that can be relied upon to interact

⁹¹ Stent, Angela. “Putin's Power Play in Syria.” *Foreign Affairs* 95, no. 1 (January/February 2016): 106-113. Accessed April 16, 2016. <https://www.foreignaffairs.org/articles/united-states/2015-12-14/putins-power-play-syria>.

peacefully with neighbors on the global stage, then full progression to democracy may be the end requirement. If Iran integrates its economy globally, but continues a harsh rhetoric towards Israel, its Middle Eastern neighbors, or the West, was a complete foreign policy reversal/decrease in contentiousness fully realized? Iran is not a former world power like Russia, clinging to a previous status, or even a China, which also periodically shows signs of attempting to display power internationally, it is very much an emerging economy in 2016. This could mean economic integration will help the nation advance peacefully faster – and it could also mean nothing; the violent rhetoric of the Iranian regime may persist until something else changes it.

The passing of the Joint Comprehensive Plan of Action and lifting of international sanctions likely ensures that Iran will see a multitude of new business opportunities, in everything from infrastructure rebuilding to advances in their telecom, energy, manufacturing, and service industries. The opening up of new markets will most definitely create a boon for the nation's financial and economic sectors; it will also have a substantial impact on the quality of life for over eighty million people.⁹² How the U.S. and the West will respond will depend on how Iran handles its newfound wealth and global inclusion. The analysis shows that it is almost certain Iran will begin to thaw relations with its growing status; however, the leaders of the U.S. and its allies must also work to ensure this thaw occurs as peacefully as possible. The possibilities of the JCPOA allow

⁹² Joshi, Ravi. "Sanctions-Free Iran: Implications for the Region and the World." *Observer Research Foundation*. January 25, 2016. Accessed April 24, 2016. <http://www.orfonline.org/research/sanctions-free-iran-implications-for-the-region-and-the-world/>.

for great participation between the West and Iran; the opportunities it presents should not be squandered by hindering the Iran's potential in the world economy. Although not noted as a significant factor in statistical analysis, here is where "time" may ultimately play an indirect part; the West cannot expect Iran to change immediately overnight – there will be growing pains along the way. Perhaps most difficult for the U.S. may be reconciling its differences over relations with the Sunni kingdoms of the Middle East against its former hardline stance against the Shi'a rulers of Iran. This paper cannot begin to describe recommendations for this shift; I can only propose that it is a consideration that should be given careful examination in the long-term.

Finally, it should be noted that although this paper concentrates on Iran, the evidence here can, and should be, considered for other currently contentious states. North Korea, for example, has had new economic restrictions placed on it recently for defying international law when it conducted nuclear missile tests in January 2016. Similar to Iran's sanctions, the end goal is to cripple Pyongyang's economy – which is for all intents and purposes, already closed off from the majority of world.⁹³ Iran also sat closed off from the international economic system for many years, and although both countries are very different, if (and likely when) North Korea's economy reaches a level to where the regime has no choice but to consider adhering to international standards in the face of absolute internal crisis, it can be expected that they too will follow a path of liberalization,

⁹³ Roth, Richard, Holly Yan and Ralph Ellis. "U.N. Security Council Approves Tough Sanctions on North Korea." *CNN*. March 3, 2016. Accessed April 24, 2016. <http://www.cnn.com/2016/03/02/world/un-north-korea-sanctions-vote/>.

openness, and thawing of contentious relations. For North Korea, this will likely mean integrating into the South Korean state, which already has a track record of both economic liberalization and democracy – which also means their ultimate path may be less problematic than Iran. However, whether it is integrating into another state or progressing as the same nation, the analysis does show there is an identifiable pattern to what goes into reducing foreign contention. Every country is different, but on the whole, there is some order to the chaos that is the international system.

CONCLUSION AND FINAL THOUGHTS

In conclusion, the multi-perspective, mixed-method design of three in-depth case studies and three models of logistic regression gives some confirmation to the hypothesis that Iran is likely to follow a positive path in regards to their future foreign policy. The cases of China, Vietnam, and Russia show that there is historical, contextual precedence for dogmatic and unfriendly states, and the logistic regression tests for democratization and economic liberalization display this historic context (from these and several states) scientifically. As mentioned previously, Iran's involvement in the JCPOA has already launched the nation down a path of utilitarian international relationship building and the opening of the economy will only further serve to advance this move. The free market and development of Iran can be something that brings nations together and the U.S. and its allies in the West, and worldwide, should encourage it. Most importantly to consider for Iran is that perhaps even democracy could be around the corner, which would be followed by a downgrade in most, if not all, animosities. The possibilities and implications of this change would be substantial for regional and international objectives; a friendly Iran could not only be an economic partner, but a possible partner in diffusing and monitoring the Middle East.

As exhaustive as this study is, it does leave room for more research and analysis on the subject of democratic and economic peace, especially as Iran's integration becomes the norm. As mentioned, the case study of Russia does show that although the nation is economically liberal, its authoritarian government still

creates contentious conflict abroad, and an updated investigation should look not only at *if* and *when* a state subdues harsh foreign policy, but what exactly an *acceptable* level of contentiousness and peace is. Will the U.S. accept an Iran that gives up nuclear weapons but still supports terrorist groups in Israel? What if this level of support is significantly decreased, but still present? There are likely more factors, even if they are smaller, that go into peace than just economic liberalization and democracy. This analysis could help guide explanation for much of the world's conflicts (present and potential), including those initiated by the West. I don't expect Iran to follow Russia's ongoing seemingly counter-norms, but further research can create several different assessments to draw upon in the event "peace" through economic liberalization or a democratic shift isn't completely realized.

Appendix 1: Country Specific Data

Binary Militarized Interstate Disputes (1960-1984)

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Afghanistan	1	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	1	0	1	1	0
Albania	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0
Armenia																									
Azerbaijan																									
Belarus																									
Bosnia and Herzegovina																									
Bulgaria	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0
China	1	1	1	1	1	1	1	1	1	1	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Croatia																									
Cuba	1	0	1	0	0	0	0	1	1	0	0	1	0	0	1	1	1	1	0	0	1	1	0	1	0
Czechoslovakia	0	0	0	1	0	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Czech Republic																									
Estonia																									
Georgia																									
Germany																									
Germany (East)	0	1	0	0	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Germany (West)	0	1	0	1	1	0	0	1	0	0	0	0	1	0	1	0	0	0	0	0	0	1	0	0	1
Hungary	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Iran	0	1	0	1	0	1	1	0	0	1	1	1	0	1	1	0	1	0	1	1	1	1	1	1	1
Iraq	0	1	1	0	0	1	1	1	0	1	1	1	1	1	1	1	1	0	0	1	1	1	1	1	1
Kazakhstan																									
Kyrgyzstan																									
Latvia																									
Lithuania																									
Macedonia																									
Moldova																									
Montenegro																									
North Korea	0	0	1	1	1	1	1	0	0	1	1	0	0	0	1	1	1	1	0	1	0	1	1	1	1
Poland	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Romania	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Russia/Soviet Union	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Serbia and Montenegro																									
Serbia																									
Slovakia																									
Slovenia																									
Tajikistan																									
Turkmenistan																									
Ukraine																									
United States	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Uzbekistan																									
Vietnam																									
Vietnam (North)	1	1	1	0	1	0	0	0	0	0	1	0	0	0	0	1									
Vietnam (South)	1	1	1	1	1	0	0	1	1	0	0	1	0	0	1	0									
Yugoslavia	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	1	0	0	0	0

Polity IV Scores (1960-1984)

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Afghanistan	-10	-10	-10	-10	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7
Albania	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9
Armenia																									
Azerbaijan																									
Belarus																									
Bosnia and Herzegovina																									
Bulgaria	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7
China	-8	-8	-8	-8	-8	-8	-9	-9	-9	-8	-8	-8	-8	-8	-8	-8	-7	-7	-7	-7	-7	-7	-7	-7	-7
Croatia																									
Cuba	-4	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7
Czechoslovakia	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7
Czech Republic																									
Estonia																									
Georgia																									
Germany																									
Germany (East)	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9
Germany (West)	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Hungary	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7
Iran	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	0	-2	-4	-6	-6	-6
Iraq	-5	-5	-5	-5	-5	-5	-5	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-9	-9	-9	-9	-9	-9
Kazakhstan																									
Kyrgyzstan																									
Latvia																									
Lithuania																									
Macedonia																									
Moldova																									
Montenegro																									
North Korea	-8	-8	-8	-8	-8	-8	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9
Poland	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-6	-8	-8	-7	-7
Romania	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-8	-8	-8	-8	-8	-8	-8	-8
Russia/Soviet Union	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7
Serbia and Montenegro																									
Serbia																									
Slovakia																									
Slovenia																									
Tajikistan																									
Turkmenistan																									
Ukraine																									
United States	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Uzbekistan																									
Vietnam																									
Vietnam (North)	-8	-8	-8	-8	-8	-8	-8	-8	-8	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7
Vietnam (South)	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3
Yugoslavia	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-5	-5	-5	-5	-5

Appendix 2: T-tests and Logistic Regression Tests

1. T-tests

Notes		
Output Created		10-APR-2016 11:44:51
Comments		
Input	Data	C:\Users\Abadir\Desktop\Tendency for Despute study\0409 all data modified to binary.sav
	Active Dataset	DataSet1
	Filter	<none>
	Weight	<none>
	Split File	<none>
	N of Rows in Working Data	1297
	File	
Missing Value Handling	Definition of Missing	User defined missing values are treated as missing.
	Cases Used	Statistics for each analysis are based on the cases with no missing or out-of-range data for any variable in the analysis.
Syntax		T-TEST GROUPS=MDS1(1 0) /MISSING=ANALYSIS /VARIABLES=Polityscore TradetoGDP Time /CRITERIA=CI(.95).
Resources	Processor Time	00:00:00.00
	Elapsed Time	00:00:00.02

Group Statistics

Binary MDS		N	Mean	Std. Deviation	Std. Error Mean
Polityscore	Initiated Dispute	475	-2.1411	7.35644	.33754
	Did not Initiate Dispute	802	-.7544	7.76067	.27404
TradetoGDP	Initiated Dispute	453	.5736	.48763	.02291
	Did not Initiate Dispute	774	.7900	.46968	.01688
Time	Initiated Dispute	479	27.10	14.299	.653
	Did not Initiate Dispute	818	30.37	14.913	.521

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means	
		F	Sig.	t	df
Polityscore	Equal variances assumed	24.081	.000	-3.146	1275
	Equal variances not assumed			-3.189	1037.950
TradetoGDP	Equal variances assumed	.123	.726	-7.679	1225
	Equal variances not assumed			-7.604	917.874
Time	Equal variances assumed	1.013	.314	-3.870	1295
	Equal variances not assumed			-3.913	1035.136

Independent Samples Test

		t-test for Equality of Means		
		Sig. (2-tailed)	Mean Difference	Std. Error Difference
Polityscore	Equal variances assumed	.002	-1.38669	.44077
	Equal variances not assumed	.001	-1.38669	.43477
TradetoGDP	Equal variances assumed	.000	-.21641	.02818
	Equal variances not assumed	.000	-.21641	.02846
Time	Equal variances assumed	.000	-3.271	.845
	Equal variances not assumed	.000	-3.271	.836

Independent Samples Test

		t-test for Equality of Means	
		95% Confidence Interval of the Difference	
		Lower	Upper
Polityscore	Equal variances assumed	-2.25140	-.52198
	Equal variances not assumed	-2.23982	-.53355
TradetoGDP	Equal variances assumed	-.27170	-.16112
	Equal variances not assumed	-.27226	-.16056
Time	Equal variances assumed	-4.929	-1.613
	Equal variances not assumed	-4.911	-1.630

2. Logistic Regression: Polity, Trade-to-GDP/MIDs

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	67.542	2	.000
	Block	67.542	2	.000
	Model	67.542	2	.000

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	1525.722 ^a	.054	.074

a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	44.971	8	.000

Contingency Table for Hosmer and Lemeshow Test

		Binary MDS = Did not Initiate Despute		Binary MDS = Initiated Despute		Total
		Observed	Expected	Observed	Expected	
		Step 1	1	93	100.455	
	2	94	90.552	26	29.448	120
	3	94	85.798	27	35.202	121
	4	87	81.366	34	39.634	121
	5	77	76.731	44	44.269	121
	6	71	72.298	49	47.702	120
	7	59	69.457	63	52.543	122
	8	70	65.116	51	55.884	121
	9	82	61.554	39	59.446	121
	10	31	54.671	88	64.329	119

Classification Table^a

Observed	Binary MDS	Predicted		
		Binary MDS		Percentage Correct
		Did not Initiate Despute	Initiated Despute	
Step 1	Did not Initiate Despute	704	54	92.9
	Initiated Despute	351	98	21.8
	Overall Percentage			66.4

a. The cut value is .500

Variables in the Equation

	B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a Polityscore	-.018	.008	4.687	1	.030	.983
TradetoGDP	-1.057	.155	46.791	1	.000	.347
Constant	.162	.117	1.916	1	.166	1.176

3. Logistic Regression: Polity-Democracy/MIDs

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	9.930	1	.002
	Block	9.930	1	.002
	Model	9.930	1	.002

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	1675.693 ^a	.008	.011

a. Estimation terminated at iteration number 3 because parameter estimates changed by less than .001.

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	49.695	6	.000

Contingency Table for Hosmer and Lemeshow Test

		Binary MIDS = Did not Initiate Dispute		Binary MIDS = Initiated Dispute		Total
		Observed	Expected	Observed	Expected	
		Step 1				
	1	114	131.115	76	58.885	190
	2	124	95.570	16	44.430	140
	3	80	84.282	46	41.718	126
	4	72	84.002	62	49.998	134
	5	21	28.298	26	18.702	47
	6	249	231.356	139	156.644	388
	7	24	29.523	26	20.477	50
	8	118	117.854	84	84.146	202

Classification Table^a

Observed			Predicted		
			Binary MDS		Percentage Correct
			Did not Initiate Despute	Initiated Despute	
Step 1	Binary MDS	Did not Initiate Despute	802	0	100.0
		Initiated Despute	475	0	.0
Overall Percentage					62.8

a. The cut value is .500

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a	Polityscore	-.024	.008	9.792	1	.002	.976
	Constant	-.559	.060	88.244	1	.000	.572

4. Logistic Regression: Trade-to-GDP/MIDs

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	64.229	1	.000
	Block	64.229	1	.000
	Model	64.229	1	.000

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	1551.791 ^a	.051	.070

a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	69.668	8	.000

Contingency Table for Hosmer and Lemeshow Test

		Binary MIDS = Did not Initiate Dispute		Binary MIDS = Initiated Dispute		Total
		Observed	Expected	Observed	Expected	
		Step 1				
	1	91	101.630	31	20.370	122
	2	97	91.633	25	30.367	122
	3	92	88.416	34	37.584	126
	4	87	83.176	38	41.824	125
	5	89	77.827	33	44.173	122
	6	71	73.795	51	48.205	122
	7	85	74.242	45	55.758	130
	8	89	68.787	37	57.213	126
	9	55	66.776	76	64.224	131
	10	18	47.718	83	53.282	101

Classification Table^a

Observed		Predicted			
		Binary MDS		Percentage Correct	
		Did not Initiate Dispute	Initiated Dispute		
Step 1	Binary MDS	Did not Initiate Dispute	749	25	96.8
		Initiated Dispute	339	114	25.2
Overall Percentage					70.3

a. The cut value is .500

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a	TradetoGDP	-1.132	.154	54.026	1	.000	.322
	Constant	.222	.115	3.768	1	.052	1.249

Appendix 3: Additional Statistical Results

1. Logistic Regression: Polity-Democracy, Trade-to-GDP/MIDs (Post-Cold War)

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	70.930	3	.000
	Block	70.930	3	.000
	Model	70.930	3	.000

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	842.233 ^a	.094	.130

a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	14.041	8	.081

Contingency Table for Hosmer and Lemeshow Test

		Binary MDS = Did not Initiate Dispute		Binary MDS = Initiated Dispute		Total
		Observed	Expected	Observed	Expected	
Step 1	1	65	63.111	7	8.889	72
	2	58	59.179	14	12.821	72
	3	53	56.382	19	15.618	72
	4	60	54.282	12	17.718	72
	5	54	51.592	18	20.408	72
	6	47	48.322	25	23.678	72
	7	45	45.195	27	26.805	72
	8	30	41.697	42	30.303	72
	9	41	36.339	31	35.661	72
	10	31	27.902	42	45.098	73

Classification Table^a

Observed			Predicted		
			Binary MDS		Percentage Correct
			Did not Initiate Dispute	Initiated Dispute	
Step 1	Binary MDS	Did not Initiate Dispute	430	54	88.8
		Initiated Dispute	187	50	21.1
Overall Percentage					66.6

a. The cut value is .500

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a	Polityscore	-.049	.011	19.419	1	.000	.952
	TradetoGDP	-1.356	.233	33.970	1	.000	.258
	Year	-.016	.014	1.222	1	.269	.984
	Constant	32.467	28.919	1.260	1	.262	12601499 5721127.6 40

2. Logistic Regression: Polity-Democracy, Trade-to-GDP/MIDs (USA vs rest of World)

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	102.649	3	.000
	Block	102.649	3	.000
	Model	102.649	3	.000

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	810.514 ^a	.133	.185

a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	9.274	8	.320

Contingency Table for Hosmer and Lemeshow Test

		Binary MDS = Did not Initiate Dispute		Binary MDS = Initiated Dispute		Total
		Observed	Expected	Observed	Expected	
		Step 1	1	67	61.796	
	2	60	60.600	13	12.400	73
	3	58	56.608	13	14.392	71
	4	53	55.597	19	16.403	72
	5	48	53.811	25	19.189	73
	6	46	50.184	26	21.816	72
	7	50	46.480	22	25.520	72
	8	43	42.030	29	29.970	72
	9	34	35.224	38	36.776	72
	10	25	21.668	48	51.332	73

Classification Table^a

Observed	Binary MDS	Did not Initiate Dispute	Predicted		Percentage Correct
			Binary MDS		
			Did not Initiate Dispute	Initiated Dispute	
Step 1	Binary MDS	Did not Initiate Dispute	437	47	90.3
		Initiated Dispute	164	73	30.8
		Overall Percentage			70.7

a. The cut value is .500

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a	Polityscore	-.065	.012	31.806	1	.000	.937
	TradetoGDP	-1.049	.228	21.156	1	.000	.350
	USA	3.767	1.043	13.033	1	.000	43.255
	Constant	.131	.201	.424	1	.515	1.139

3. Logistic Regression: Polity-Democracy, Trade-to-GDP/MIDs (Vietnam vs rest of World)

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	74.372	3	.000
	Block	74.372	3	.000
	Model	74.372	3	.000

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	838.791 ^a	.098	.136

a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	20.744	8	.008

Contingency Table for Hosmer and Lemeshow Test

		Binary MDS = Did not Initiate Dispute		Binary MDS = Initiated Dispute		Total
		Observed	Expected	Observed	Expected	
		Step 1				
	1	64	64.104	9	8.896	73
	2	62	59.547	10	12.453	72
	3	54	56.511	18	15.489	72
	4	55	54.183	17	17.817	72
	5	52	51.644	20	20.356	72
	6	54	48.421	18	23.579	72
	7	48	45.105	24	26.895	72
	8	26	42.144	46	29.856	72
	9	36	35.415	36	36.585	72
	10	33	26.928	39	45.072	72

Classification Table^a

Observed			Predicted		
			Binary MIDS		Percentage Correct
			Did not Initiate Dispute	Initiated Dispute	
Step 1	Binary MIDS	Did not Initiate Dispute	431	53	89.0
		Initiated Dispute	178	59	24.9
Overall Percentage					68.0

a. The cut value is .500

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a	Polityscore	-.054	.011	22.841	1	.000	.947
	TradetoGDP	-1.355	.228	35.236	1	.000	.258
	Vietnam	-1.243	.645	3.708	1	.054	.289
	Constant	.482	.193	6.245	1	.012	1.620

4. *Logistic Regression: Polity-Democracy, Trade-to-GDP/MIDs (China vs rest of World, post-Cold War)*

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	75.916	4	.000
	Block	75.916	4	.000
	Model	75.916	4	.000

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	837.247 ^a	.100	.139

a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	11.267	8	.187

Contingency Table for Hosmer and Lemeshow Test

		Binary MIDS = Did not Initiate Dispute		Binary MIDS = Initiated Dispute		Total
		Observed	Expected	Observed	Expected	
		Step 1	1	66	62.787	
	2	57	58.975	15	13.025	72
	3	54	56.330	18	15.670	72
	4	59	54.335	13	17.665	72
	5	55	51.866	17	20.134	72
	6	46	48.833	26	23.167	72
	7	44	45.882	28	26.118	72
	8	34	42.474	38	29.526	72
	9	43	36.997	29	35.003	72
	10	26	25.522	47	47.478	73

Classification Table^a

Observed		Predicted			
		Binary MIDS		Percentage Correct	
		Did not Initiate Dispute	Initiated Dispute		
Step 1	Binary MIDS	Did not Initiate Dispute	436	48	90.1
		Initiated Dispute	184	53	22.4
	Overall Percentage				67.8

a. The cut value is .500

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a	Polityscore	-.044	.011	14.966	1	.000	.957
	TradetoGDP	-1.277	.234	29.737	1	.000	.279
	Year	-.018	.015	1.518	1	.218	.982
	China	-.044	.011	14.966	1	.000	.957
	Constant						53479044
		36.215	29.071	1.552	1	.213	61479224.000

5. Logistic Regression: Polity-Democracy, Trade-to-GDP/MIDs (Russia vs rest of World, post-Cold War)

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	93.451	4	.000
	Block	93.451	4	.000
	Model	93.451	4	.000

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	819.712 ^a	.122	.169

a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	5.510	8	.702

Contingency Table for Hosmer and Lemeshow Test

		Binary MIDS = Did not Initiate Dispute		Binary MIDS = Initiated Dispute		Total
		Observed	Expected	Observed	Expected	
		Step 1				
	1	66	63.383	6	8.617	72
	2	61	59.713	11	12.287	72
	3	57	57.271	15	14.729	72
	4	53	55.305	19	16.695	72
	5	50	52.512	22	19.488	72
	6	52	49.312	20	22.688	72
	7	45	46.017	27	25.983	72
	8	36	42.061	36	29.939	72
	9	39	35.522	33	36.478	72
	10	25	22.904	48	50.096	73

Classification Table^a

Observed			Predicted		
			Binary MDS		Percentage Correct
			Did not Initiate Dispute	Initiated Dispute	
Step 1	Binary MDS	Did not Initiate Dispute	439	45	90.7
		Initiated Dispute	173	64	27.0
Overall Percentage					69.8

a. The cut value is .500

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a	Polityscore	-.054	.011	22.409	1	.000	.948
	TradetoGDP	-1.242	.233	28.433	1	.000	.289
	Year	-.018	.015	1.563	1	.211	.982
	Russia	2.459	.635	14.971	1	.000	11.688
	Constant	37.136	29.434	1.592	1	.207	13431053 45873746 0.000

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