CHAPTER 7
IRANIAN HOSTAGE DIPLOMACY

What is Hostage Diplomacy?

Hostage diplomacy is a term used to describe the phenomenon of states arresting or abducting foreign citizens or dual nationals as a means of exerting influence over other countries, with the aim of achieving political, diplomatic, or economic goals (Alexander & Bou Serhal, 2024; Lau, 2022). When carried out by a state, hostage diplomacy involves the use of its judicial system to detain foreign nationals and leverage them as bargaining chips to apply pressure on other governments, advancing its foreign policy objectives. This form of coercion exploits the gray area between legitimate arrests and prosecutions on the one hand and illegal abductions on the other (Gilbert & Rivard Piche, 2021).

In its initial stages, state-sponsored hostage diplomacy may appear similar to legitimate arrests conducted under domestic law: a state detains a foreign citizen on suspicion of criminal activity. The charges are often vague, for example, accusations of espionage or the endangering of national security (Dignat, 2020). The detainee is arrested and formally charged, but the pretense of criminal prosecution quickly fades. Hostage diplomacy culminates when the targeted country negotiates for the release of the detainees in exchange for economic or political concessions, or in some cases, the release of the state's own nationals detained elsewhere. Through this process, the detainee transitions from being a prisoner to a bargaining chip. In this sense, it can be argued that although victims of hostage diplomacy are legally classified as detainees, they are, in reality, hostages. This duality complicates efforts to combat hostage diplomacy, as it blurs the distinction between legitimate law enforcement and extortion (Gilbert & Rivard Piche, 2021).

Hostage diplomacy is not a new phenomenon. In ancient China, Greece, and Rome, it was common practice to exchange hostages as a gesture of peace. These hostages were given or traded between states and rulers as a means of demonstrating trust and goodwill, as well as guaranteeing adherence to treaties or alliances. Over time, the use of hostages evolved, and in the modern era, certain states—primarily totalitarian regimes—have employed hostage-taking as a tool for advancing economic and political objectives. Many consider the Iran hostage crisis (November 1979 – January 1981) to be the most significant case of inter-state hostage-taking in modern history. During this crisis, 52 American citizens were held hostage inside the United States embassy in Tehran for 444 days. The order from Ayatollah Khomeini, the approval of the Iranian Ministry of Foreign Affairs, and the cooperation of other Iranian government entities in maintaining control over the embassy and holding the hostages to "exert pressure on the United States government" to comply with their demands—including extraditing the Shah and returning his assets to Iran—institutionalized hostage-taking as an Iranian state practice (Lau, 2022).

Notable employers of hostage diplomacy include Iran, Venezuela, North Korea, Turkey, Russia, and China. As seen, these are mostly authoritarian states with the intent, capability, and willingness to manipulate their legal systems to extort their adversaries as part of an aggressive foreign policy strategy. However, even democratic countries have been accused of detaining foreign nationals to advance foreign policy interests, thereby engaging in hostage diplomacy themselves (Gilbert & Rivard Piche, 2021).

State-sponsored hostage diplomacy follows a similar logic to hostage-taking by terrorist organizations, and both share common characteristics. In both cases, there is a distinction between the direct victim and the target of the action—the entity to whom demands are directed and who has the power to comply or refuse. The threat of further harm to the victim is conditional and can be avoided if the perpetrators' demands are met. Hostage-takers

use their captives as leverage to improve their bargaining position, force concessions, and attract widespread attention. However, unlike terrorist hostage-takers, state actors may not always make their demands public or explicit; in many cases, these demands are only implied in public statements, whereas in private diplomatic channels, they are understood as extortion.

The effectiveness of hostage-taking as a coercive tool is based on two primary factors. First, hostage-taking creates a bilateral monopoly—a fabricated market with only one buyer and one seller—allowing the captor to significantly raise the "price" and leave the target state with only two options: to concede or accept the suffering of the victim. Second, hostage-taking cases generate significant media and public attention, which is especially relevant for democratic states, as their leaders depend on public support (Gilbert & Rivard Piche, 2021).

Regarding the typical victims of hostage diplomacy, evidence suggests that any foreign national is at risk of being taken hostage by a state. However, journalists, aid workers, academics, business professionals, and human rights activists are particularly vulnerable to this tactic. Additionally, dual nationals constitute a significant portion of hostage diplomacy victims. States that do not recognize dual citizenship can more easily exploit legal sovereignty as a pretext to deny consular access and services to dual nationals. Furthermore, individuals with ties to foreign governments or those involved in anti-government activities abroad—such as participating in protests or pro-democracy movements—are at heightened risk of false accusations related to espionage, national security threats, or even terrorism. This enables states to conduct closed-door trials, withhold evidence, and deny access to legal counsel or diplomatic visits (Nadjibulla & Foggett, 2023).

Nevertheless, several factors distinguish hostage diplomacy from other forms of hostage-taking. In most hostage situations, the captors are non-state entities such as terrorist or criminal organizations. By contrast, in hostage diplomacy, both the perpetrator and the target are states. The distinction between detainees and hostages is not merely rhetorical—it carries legal and

practical implications that theoretically separate these categories. Notably, the measures available to governments for securing the release of individuals held by another state differ fundamentally from those used to recover hostages held by non-state actors. The fact that states have a fixed address makes hostage recovery easier in some respects but more complex in others. For example, United States law explicitly prohibits ransom payments to entities designated as terrorist organizations by the State Department, yet there is no equivalent prohibition on offering concessions or making payments to other states. Additionally, governments can employ legal means, including extraditions, to retrieve detainees. However, unlike hostages held by non-state actors, detainees cannot be rescued through military operations (Gilbert & Rivard Piche, 2021).

Another distinction between hostage diplomacy and other forms of hostage-taking lies in public perception. There is a greater degree of legitimacy and acceptance of prisoner exchange deals involving state-held detainees compared to yielding to terrorist ransom demands. This is because such negotiations are viewed as part of diplomatic relations between states, akin to prisoner exchanges following wars, whereas agreements with terrorist organizations—who do not recognize international norms—are perceived differently.

Prisoner exchange negotiations may involve direct talks with the detaining state or the use of intermediaries. Intermediaries often play a crucial role in maintaining a degree of secrecy and establishing communication channels, particularly when official diplomatic relations are strained. Several factors contribute to the feasibility of a prisoner exchange. First, there must be a willingness to engage in dialogue from both the detaining state and the state seeking the release of its citizens, indicating a readiness to explore diplomatic solutions to the crisis. Aligned geopolitical interests can create favorable conditions for an exchange. The involvement of neutral mediators such as Switzerland, Qatar, or an international organization can expedite negotiations by providing a credible platform for dialogue and bridging gaps between the

parties. Third-party mediation can however also blur the lines of US policy, which asserts that no concessions should be granted in hostage situations (Alexander & Bou Serhal, 2024).

Iran's Hostage Diplomacy

As noted above, Iran stands out among nations that employ hostage diplomacy. This tactic aligns with Iran's broader strategy, which seeks to maintain plausible deniability regarding the terrorist nature of its actions. It allows Iran to present such operations as routine law enforcement measures, preserving a veneer of legitimacy. This aspect connects Iran's terrorism policies with its hostage diplomacy—both strategies maintain the facade of lawful conduct while violating international norms. Moreover, hostage diplomacy serves as a tool in Iran's wider warfare, enabling it to exert pressure and secure the release of Iranian operatives detained on suspicion of involvement in terrorism, as will be discussed below.

Over the years, Iran has detained numerous American, Australian, Canadian, and other European Union citizens to exert diplomatic and political pressure. It can be argued that the current environment is particularly opportunistic and permissive for the taking of Western hostages in Iran. This assertion is supported by the fact that the United States, the United Kingdom, the European Union and several other countries advise their citizens to avoid travel to Iran due to the heightened risk of arbitrary detention. Furthermore, the risk is especially high for individuals with dual Iranian and Western citizenship (Nadjibulla & Foggett, 2023). Below, we will examine Iran's patterns of using hostage diplomacy, with an emphasis on recent developments.

Iran has employed hostage-taking as a policy tool since the early days of the Islamic Republic. As noted earlier, the American hostage crisis in Iran remains the most prominent case of state-led hostage-taking in modern history. Since then, Iran has used both detention and negotiation over the release of foreign and dual-national citizens to extract concessions from

Western governments, including monetary payments and the release of Iranians detained abroad. The Iranian regime also arrests such individuals and charges them with severe crimes to intimidate both foreigners and its own citizens. The frequent detentions of foreign nationals—especially from Europe and the United States—allow Iranian security agencies to ensure that even when some are released, Iran retains enough bargaining chips to trade for concessions at any given moment (Rome, 2022).

Since the American embassy hostage crisis, Iran's hostage diplomacy has evolved in two interconnected ways. First, while in 1979 all hostages were American and their detention primarily served domestic political goals—particularly consolidating Khomeini's power within Iran— more recently Iran has used foreign hostages to advance foreign policy objectives and to deter Iranian citizens from engaging with Western countries. Second, in recent years, Iran has masked its actions as law enforcement measures rather than outright hostage-taking. It leverages the foreign nationality of detainees to substantiate charges of espionage or threats to national security, subsequently putting them on trial and sentencing them to long prison terms or even the death penalty. Although the legitimacy conferred by these legal proceedings is often superficial, statements from the victims' home countries frequently reinforce Iran's narrative of Western interference in its domestic affairs. These arrests also complicate diplomatic responses, as states hesitate to interfere with another country's sovereign judicial system. Furthermore, the use of legal proceedings shifts attention to the charges against the detainees rather than Iran's conduct, causing divisions among detainees' families, some of whom fear collaborating with the families of those facing more severe allegations (Ferstman & Sharpe, 2022).

An examination of the profile of Iran's hostage diplomacy victims indicates that foreign and dual-national citizens engaged in journalism, research, business, and other fields perceived as bridging Iran and the West are particularly at risk. Academics are also highly vulnerable. In addition to

professional risk factors, certain nationalities face a higher likelihood of detention. Since 2010, citizens of Australia, Austria, Canada, China, Finland, France, Germany, Lebanon, the Netherlands, Russia, Sweden, the United Kingdom, and the United States have been arbitrarily detained in Iran. However, among the 66 cases of foreign nationals detained in Iran between 2010 and 2022, 20 were American citizens or dual Iranian-American nationals, 11 were Iranian-British, one was solely British, and two were dual British-Australian nationals. Canadian and French citizens also appear disproportionately among detainees (Ferstman & Sharpe, 2022). Furthermore, as seen above, dual nationals constitute a significant proportion of victims, in part due to Iran's policy of not recognizing dual citizenship. This policy allows Iran to deny consular assistance to detainees (Nadjibulla & Foggett, 2023).

The testimony of an Australian citizen detained in Iran provides additional insight into the victims of this form of diplomacy. Kylie Moore-Gilbert, an Australian citizen, was arrested in Iran in 2018 after being invited to attend an academic conference in the country. She was accused of espionage and sentenced to ten years in prison, though she was released after serving two years and three months in two Iranian prisons in exchange for three members of the Islamic Revolutionary Guard Corps who had been detained in Thailand on terrorism charges. According to her, during conversations with junior members of the Revolutionary Guard, she learned that hostages were ranked based on their "prestige." Complete foreigners were considered more valuable than dual nationals. Western European nationals were valued more than Eastern Europeans, who, in turn, were ranked above Japanese detainees. The Chinese government managed to secure the release of its citizens within months, whereas detainees from developing nations were likely to serve their full sentences. The most valuable hostages were Americans and Israelis, as they could be leveraged for the highest price (Moore-Gilbert, 2023).

Regarding Iran's modus operandi, a typical pattern emerges shortly after arrest, beginning with a period of incommunicado detention, often

under solitary confinement and without access to legal representation. Following initial detention, many detainees endure psychological and physical abuse, including coercion into making false confessions. The conditions of imprisonment are frequently cruel and inhumane. There are often significant delays before detainees learn the charges against them, and when the charges are disclosed, they are often extremely vague. Many cases involve state propaganda campaigns and violations of detainees' privacy, dignity, and reputation through government-controlled media, including the publication of fabricated evidence and forced confessions. The trials themselves are fraught with due process violations; for example, they may be conducted behind closed doors without allowing detainees access to legal counsel of their choice—or, in some cases, any legal representation at all. Some detainees do not even undergo a trial but are summarily convicted. The conditions and criteria for release also remain highly opaque (Dignat, 2020; Ferstman & Sharpe, 2022).

In this context, it is worth highlighting, for example, the differences between Iranian and Russian hostage diplomacy. As noted above, unlike Russia, Iran routinely detains individuals with dual citizenship. Furthermore, Iran tends to accuse hostages of espionage (similar to China), whereas Russia employs a much broader range of charges, including drug offenses, assault, and espionage. The agreements for resolving Iranian and Russian hostage diplomacy also differ significantly—in the Russian case, the United States has resolved crises through one-to-one prisoner exchange deals, whereas Iran demands much broader agreements, which include prisoner exchanges as well as financial payments and additional concessions (Gilbert, 2023).

A study examining Iran's use of hostages between January 2000 and April 2023 found that Iran's reasons for detaining individuals are circumstantial and context-dependent. However, several general trends can be identified. Over the two decades studied, hostage diplomacy shifted from an opportunistic and reactive tactic—wherein an individual arrested for various reasons, not necessarily intentionally, became a bargaining chip in negotiations—to a

strategic approach, wherein Iran actively pursues foreign nationals and dual citizens to extract concessions from their respective governments. It can be argued that between 2000 and 2014, Iran's use of hostage diplomacy was opportunistic. During this phase, Iran typically released detainees after securing domestic political gains and/or economic concessions, and foreign nationals and dual citizens were detained for relatively short periods. After 2014, this situation changed, with detainees being held for longer periods and often released only through prisoner exchange deals. This marked the turning point when Iran transitioned from using hostage diplomacy as an opportunistic tactic to employing it as a deliberate strategy. This shift resulted, in part, from the concessions Iran had successfully obtained during the opportunistic phase. Another factor contributing to this change was the evolution of US-Iran relations in 2015 and the negotiations that led to the nuclear agreement. Jason Rezaian, one of the detainees held by Iran between 2014 and 2016, recounts in his memoir that President Obama's National Security Advisor even apologized for the length of time it took to secure his release and admitted that he was a victim of the nuclear deal negotiations (Dimock et al., 2023).

Moreover, it is worth noting that hostage diplomacy often serves as a tool in internal power struggles within the Iranian regime. The Islamic Revolutionary Guard Corps (IRGC), which seeks to hinder Iranian diplomats' efforts to normalize relations with the West, isolate Iranian society from the outside world, and radicalize other political actors, uses hostages as leverage in its power struggles with other factions within Iran. This dynamic was particularly evident during Rouhani's presidency (Dignat, 2020).

As mentioned above, Iran employs hostage diplomacy to obtain a wide range of benefits. Beyond consolidating the regime's control over the Iranian population by instilling fear through arbitrary arrests of those perceived as threats to its stability, Iran also successfully extorts significant concessions from other countries in areas it deems important. The Algiers Accord, which

ended the American hostage crisis in 1981, exemplifies this pattern: the two nations agreed to establish a tribunal in The Hague to adjudicate the release of funds paid by the Shah for military equipment that was not delivered after the revolution. Among other provisions, the agreement stipulated that "the United States shall restore Iran's economic standing, as much as possible, to what it was prior to November 14, 1979" (Brodsky, 2023). Even the Iran-Contra Affair of the 1980s aligns with the pattern of American willingness to enter into prisoner exchange arrangements with Iran. As part of this affair, the United States pressured Iran to facilitate the release of American hostages held by Hezbollah. In return, the US supplied arms to the Islamic Republic—a step President Reagan later described as "an arms-for-hostages deal." In 1991, after Iran played a key role in securing the release of American hostages from Lebanon, the Bush administration agreed to pay $278 million to settle some of these claims. Although the US denied a connection between these two actions, President Bush told the Omani foreign minister that resolving these claims was "clearly related to the hostages" (Rome, 2022).

In 2016, coinciding with the implementation of the Joint Comprehensive Plan of Action (JCPOA), Iran released four American detainees, while the United States freed or dropped charges against seven Iranian prisoners. Among those released by Iran was Jason Rezaian, former head of The Washington Post's Tehran bureau, who had been arrested in 2014 along with his wife at their home in Iran. Rezaian was initially detained on espionage charges, with allegations that he was the CIA station chief in Tehran. According to him, the timing of his arrest was no coincidence, as he was reporting on the Iran-US nuclear negotiations, and he viewed his detention as an Iranian effort to extract concessions from the Obama administration. After spending more than a year and a half in Iranian prison, Rezaian was released just hours before the nuclear agreement's implementation (Alexander & Bou Serhal, 2024). In addition to the prisoner releases, the United States paid Iran $400 million in cash as part of a broader settlement related to claims involving military

equipment deals made under the Shah. The Obama administration denied that the payment constituted ransom (Rome, 2022).

In 2019, Switzerland mediated an agreement between the United States and Iran that led to the release of an American-Chinese scientist detained in Iran since 2016 on espionage charges, in exchange for the release of Iranian scientist Masoud Soleimani. The Chinese-American scientist, Xiyue Wang, had been convicted of espionage in 2017 and sentenced to ten years in prison. Soleimani, a stem cell researcher, was arrested at Chicago airport in 2018 for allegedly violating trade sanctions by attempting to transport biological material to Iran (News Agencies, 2019).

In 2022, the United Kingdom reached a settlement with Iran concerning $530 million used for the purchase of tanks, most of which were never delivered. Simultaneously, Iran released two British-Iranian citizens and an additional citizen, although the latter was barred from leaving the country (Rome, 2022; Brodsky, 2023).

Although these financial settlements were ostensibly conditioned on the release of funds, they did not lead to a change in Iran's policy; rather, it can be argued that they emboldened Iran, increasing both its audacity and the price it demands for hostage releases. This is evident in the 2023 agreement brokered by Qatar, which included the exchange of American detainees held in Iran for Iranians detained in the United States, alongside the unfreezing of $6 billion in Iranian oil revenues (a significant increase compared to previous agreements) that had been frozen by South Korea due to US sanctions on Iran. The negotiations for this deal lasted several months and represented a significant breakthrough despite ongoing disputes between the two countries over various issues. As part of the agreement, five American citizens with dual nationality were released from detention in Iran in exchange for the release of five Iranians. Two of the Iranian detainees returned to Iran, two remained in the United States at their request, and the fifth joined their family in an undisclosed country. Concurrently, the Biden administration imposed new

sanctions on Iran's Ministry of Intelligence and its former president for their involvement in detaining American citizens (Alexander & Bou Serhal, 2024; Brodsky, 2023; Hafezi & Mills, 2023).

Iranian hostage diplomacy is not limited to the United States and the United Kingdom. For instance, in May 2023, Iranian intelligence officer Asadollah Asadi, who had been convicted in February 2021 for plotting a terrorist attack at a gathering of Iranian exiles in Paris in 2018, was released as part of a deal between Belgium and Iran. In return, Belgian aid worker Olivier Vandecasteele was freed from Iranian prison. Vandecasteele, a Belgian humanitarian worker who had lived in Iran since 2015, was suddenly arrested in February 2022. In January 2023, he was sentenced to 40 years in prison and 74 lashes. His family claimed that he had been convicted in a show trial and was denied access to a lawyer during his detention. In addition to Vandecasteele, three other European citizens were reportedly released in the second phase of the deal—a Danish citizen whose name was not disclosed and two Austrian citizens of Iranian origin: Kamran Ghaderi, a businessman arrested in January 2016 and imprisoned in Iran for seven years, and Massoud Mossaheb, who had been incarcerated for nearly four years before being released in November 2022 for medical reasons, although he was prohibited from leaving Iran until the agreement was finalized. Oman, which likely mediated the negotiations, announced the prisoner exchange deal. Asadi's release is highly significant, as his conviction marked the first time a European court had convicted an Iranian official for acts of terrorism since the 1979 revolution. In this context, his release sends a clear message that Iran does not abandon its operatives, even when its terrorist plots fail (Ynet and Agencies, 2023; AFP, 2023).

Additionally, in September 2023, it was revealed that Swedish citizen Johan Floderus, an employee of a European Union service, had been imprisoned in Iran for over a year and a half. The European Union's foreign minister accused Iran of unlawfully detaining Floderus and emphasized that the EU had been working and would continue to work for his release in cooperation with his

family and the Swedish government. Floderus was arrested at the airport at the end of a vacation in Iran rather than during an official visit and is being held in Evin Prison. Iran only publicly disclosed his arrest in July 2022, three months after his detention, in what was perceived as an attempt to pressure Sweden into releasing former Iranian official Hamid Nouri from Swedish prison. Nouri had been convicted in Sweden of murder and violations of international law due to his involvement in the 1988 execution of thousands of political dissidents. In June 2024, Sweden announced that it had released Nouri in exchange for the release of two Swedes imprisoned in Iran: Floderus and Saeed Azizi, an Iranian-born Swedish citizen. Oman issued an official statement confirming that it had mediated the exchange (Bettini and News Agencies, 2024).

It is clear that Iran exploits hostage diplomacy to maximize its advantages. Iran detains foreign and dual-national citizens, accusing them of vague charges often related to national security, in order to extract economic and political concessions and, at times, to demand the release of Iranian prisoners accused of terrorism by the detainees' home countries. The dual nature of hostage diplomacy allows Iran to create the impression that these are legitimate law enforcement actions while maintaining plausible deniability—a strategy similar to its use of terrorism. Moreover, hostage diplomacy serves Iran as a tool for securing the release of Iranian terrorists, further preserving its global terrorist infrastructure. It is no coincidence that the head of Mossad, in a speech at a conference at the International Institute for Counter-Terrorism at Reichman University, highlighted the success of Iran's hostage policy, which yields both economic benefits—alleviating some of the sanctions imposed on it—and the release of Iranian terrorists. These factors contribute to Iran's overconfidence, further emboldening the regime to carry out terrorist attacks (Ben-Yishai, 2023).