# INSTRUMENTS OF INTERNATIONAL POLITICS : CRITICAL DIALOGUE VERSUS SANCTIONS AND THEIR EFFECT ON IRAQ, IRAN, LYBIA AND SUDAN

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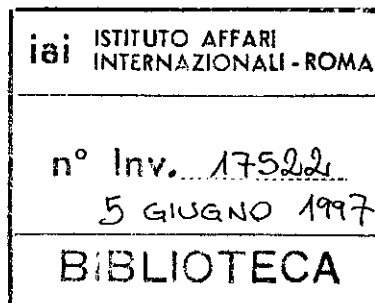
Working Paper

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Effects and Potential of the Critical

Dialogue - The European Role

Reconsidered

TREVOR TAYLOR

The Project 'Europe and the Middle East'

The Middle East peace process and the Mediterranean initiative of the European Union have been an incentive for the Bertelsmann Foundation, Gütersloh, Germany, and the Research Group on European Affairs at the Center for Applied Policy Research, University of Munich, to involve themselves intensively with the future of the relationships between the regions south and north of the Mediterranean. The partners co-operated in 1994 to institute the project 'Europe and the Middle East', thereby completing their involvement with various European problems. The project aims to mediate between the two regions, providing concepts facilitating the development of more intensive relationships. At the same time the project is an attempt to build bridges between political theory and practice. In order to formulate constructive policies for the development of intensified transregional relations, the world of politics should make use of academic approaches and concepts. On the other side, academics of political science benefit from contact with practical application.

The basis for the project are the annual 'Kronberg Middle East Talks', at which representatives from science, economics and politics exchange ideas on current topics of Euro-Mediterranean relations. These conferences are prepared by a cycle of workshops, which deal with questions related to international security, economic development and the governmental and social transformation of the region.

Introduction: the Edinburgh Declaration

In practical terms, the political idea of a critical dialogue with Iran dates back to the then-German foreign minister Hans Dietrich Genscher in 1980,[1] but the first European Council statement relating to critical dialogue was the 1992 Edinburgh Declaration which read as follows:

„Given Iran's importance in the region, the European Council reaffirms its belief that a dialogue should be maintained with the Iranian Government. This should be a critical dialogue which reflects concerns about Iranian behaviour and calls for improvement in a number of areas, particularly human rights, the death sentence pronounced by a Fatwa of Ayatollah Khomaini against the author Salman Rushdie, which is contrary to international law, and terrorism. Improvement in these areas will be important in determining the extent to which closer relations and confidence can be developed. ... The European Council accepts the right of countries to acquire the means to defend themselves, but is concerned that Iran's procurement should not pose a threat to regional stability. ... In view of the fundamental importance of the Middle East Peace Process, the European Council also expresses the wish that Iran will take a constructive approach here."[2]

This paragraph clearly articulated a number of European concerns, some of which concerned the internal affairs of Iran. The EU was obviously interested in exploring and even having an impact on both the internal and external aspects of Iranian behaviour.

The concept of critical dialogue

This paper seeks to analyse the general concept of 'critical dialogue' which is often seen as the essence of EU and in particular German policy towards Iran. The EU critical dialogue has an empirical shape, mainly

involving the EU Troika discussions with Iran and bilateral links between EU states and Teheran. This paper, however, begins from a more abstract position, exploring what might be expected of a foreign policy of 'critical dialogue', given the ordinary meanings of the words involved. This conceptual exploration of critical dialogue serves to highlight, later in the text, the limited nature of the EU effort so far.

The expression 'critical dialogue' suggests a discussion between two or more entities in which each presents its own positions, along with positive and negative arguments about the stances of the other. Because it is designated as a dialogue, in which a statement by one side generates a related response from the other, there should be a flow of connected messages rather than a series of assertions.

At least implicit in the terminology, however, are two other points. The first is that the exchange is taking place between two entities without one side having a presumed stronger position or superior standing. Thus an EU critical dialogue with Iran suggests that Iran is of a similar status to the EU: they are dialogue partners. The second is that dialogue does not imply any missionary or messianic activity and thus does not appear a threat to either party: the outcome of the dialogue should not lead to the reluctant conversion of one to the views of the other. Using Sam Huntington's rather unambiguous concept of civilisations[3], a critical dialogue should not lead to the Westernisation of Iran nor the Islamisation of the EU. Both these implicit points in the term critical dialogue can be seen as making the exercise more appealing in principle to Iran by providing it with status and security.

Understanding, empathy and critical dialogue

An initial and important question concerns the purposes of critical dialogue: what is it for? In particular is it meant simply to provide better mutual understanding, or more relaxed relations stemming from an enhanced readiness to tolerate known clashes of interest, or changed, more convivial behaviour on the part of the target state? The terms of the

Edinburgh Declaration signal that the eventual aim of a critical dialogue was changed behaviour on the part of Teheran, but the stress on dialogue rather than any particular threats or promises suggested that an initial target was improved mutual understanding.

Certainly better mutual understanding can improve human relations. People and governments which do not know each other well can fear the worst of each other. They can misunderstand or simply not know what the other is trying to achieve, what its fears are and so on. 'Continued contact prevents the dehumanisation of opponents, and the exchange of information and views provides a framework for empathy.'[4] Mutual, accurate understanding is more difficult if the two have particularly different ideologies. Of necessity people including government officials and leaders view the world through some sort of ideological lens which can generate important distortions and full, careful and frank exchanges can help to clarify what the different parties are really about. Barriers to understanding of language and culture need to be carefully surmounted. When ideological guidance is rather inflexible, the distortions provided by the ideological lens can be considerable. Almost 30 years ago, to erode the fears of the Communists, the Ostpolitik of Chancellor Brandt had the important purposes of explaining to the Soviet Union what West Germany was aiming at and of demonstrating that the Communist message about the aggressive intent of capitalism was inaccurate.

Mutual understanding may lubricate improved relations as both sides perhaps learn to empathise with the others' fears and ambitions. Also what conflict analysts call perceived conflicts may be avoided or put aside if parties come to appreciate that their real goals are not incompatible. A useful view of the national interest denies its objective existence in realist terms and suggests instead that its concrete form is an intellectual construct formed by thought and debate within a state.[5] Through the provision of ideas and data from outside, critical dialogue can have an impact on how elites in a target state formulates their sense of national interest.

There is a possibility that critical dialogue can sharpen and emphasise areas of real disagreement and conflict. If it should emerge from discussions with Iran that the Teheran regime feels justified in pursuing and executing Iranian opposition figures overseas, or seeking military hegemony in the Gulf, or pursuing a nuclear weapons programme, points of true conflict with Europeans will have been emphasised. There is certainly no guarantee that an open critical dialogue will result in better relations.

Critical dialogue, diplomacy and foreign policy

To assess critical dialogue per se, as opposed to separate foreign policy activities such as foreign aid which may be associated with it, it is necessary to return to the issue of what critical dialogue is in its essence. There are two competing views to note.

In one perspective, critical dialogue can be seen essentially as a tool of foreign policy intended to secure desired behaviour on the part of the target state. As such it would stand alongside a wide range of other possible foreign policy tools, such as economic sanctions, foreign aid, the threat and use of force, and so on, which are meant to change the behaviour of the target state.

However, in their established International Relations text, Russett and Starr usefully distinguish diplomacy from foreign policy, using the words of a British diplomat, "Foreign policy is what you do; diplomacy is how you do it". They give this essence of diplomatic activity:

„Diplomacy involves direct, government-to-government interactions, acting on the people in other governments who are able to do the things we want their states to do. Thus diplomacy can be considered the central technique of foreign policy implementation, the only truly direct technique. It is an instrument by which other techniques may realise their fullest potential to influence target states."[6].

Using this second perspective, critical dialogue becomes an aspect of diplomacy rather than a tool of foreign policy. Critical dialogue, then, is

part of the mediating element (diplomacy) between a range of foreign policy tools and the target state. Figure A presents the perspective in diagrammatic form. This paper next explores some of the implications of this second perspective, beginning with the content of critical dialogue and what would make it distinctive from regular, normal diplomatic activity.

The critical dialogue agenda and dialogue partners

If mutual understanding is to be achieved, it is necessary that the agenda of the dialogue concern profound subjects including the worldviews/ideologies of the participants. It is not enough to address the treatment of political prisoners or restrictions on women, it is necessary to consider the whole basis and coverage of human rights. It is not enough to talk about trade, it is necessary to address the fundamentals of capitalism and of Islamic economic systems. It is not enough to discuss the Fatwa on Salman Rushdie, the meaning of sovereignty must be addressed, and so on.

If critical dialogue needs to be deep, it should also be as wide as the effective political establishment of the target state, i.e. it should involve many politically-relevant groups. Of International Relations schools of thought, critical dialogue is clearly more compatible with pluralist rather than neo-realist ideas about foreign policy: regarding China, the US is prudently keen to include discussions with the People's Liberation Army in its discussions because it recognises the Chinese armed forces as a significant political player. Indeed, military to military exchanges are an important element in US policy towards countries, including some in Central Asia, where it feels democracy can be strengthened. [7] A policy of critical dialogue is unlikely to be effective unless it includes a clear view of the broad range of groups which need to be brought into discussions if possible. German enthusiasm for talking to representatives of the Iranian secret service has become well known.

In areas where governmental structures are even remotely similar, it may be straightforward to identify the groups to participate in dialogue: the military should talk to the military, parliamentarians to parliamentarians, ministers to ministers, the judiciary to the judiciary and so on. Difficulties arise when there are no obvious counterparts: there are no western equivalents to the religious authorities which are so influential in Iran.

Clearly dialogue between some groups may be more effective and open than between others. The military in many societies often find it easy to exchange views on professional concerns with other soldiers but other social-political groups may be more wary. Those planning and steering critical dialogue need patience and a readiness to enjoy varying degrees of success.

Directors of critical dialogue also need to take account of the potential role to be played by non-government personnel such as academics, business people, environmental lobbyists and so on. Such groups may have valuable information to disseminate and they may enjoy a different degree of credibility than government representatives. For instance, if a western state is seeking to underline the virtues of liberal democracy, it needs to include those from its own opposition in its presentations. The organisers of a critical dialogue should have a clear idea of who could usefully participate: if they are keen to promote the virtues of liberal democracy, they should be ready to include on their own side those whose views they may not share and whose expressed opinions they cannot control.

Although critical dialogue in an optimum condition should be wide, the target state has to be ready to participate and this may mean that consideration of some groups or subjects may have to be postponed until trust levels have been established and both sides have come to recognise the virtues of the dialogue. A related consideration is that the time scale associated with a critical dialogue should be quite long: a period of several years may be needed before any significant effects can be felt.

A different consideration relating to political structure is that, in cases where governments are completely dominated by a very small number of

people, with whom it will not be possible to have sustained and open exchanges, a critical dialogue approach may not be thought feasible. This appears to be the European stance on Libya, but Iran is a very different case: 'it is run by interlocking factions that dispute, both on ideological and pragmatic grounds, every step of policy at home and abroad.'[8]

Finally, directing dialogue towards groups which have an impact on a government may nonetheless be ineffective if the government itself is not in control of all its population. The US has presented some evidence that much terrorist activity is sponsored by wealthy individuals in the US and the Gulf rather than by governments.[9] This clearly raises a whole different series of problems where the need is for more effective government regulation of wealthy people, an issue which may well require considerable inter-governmental cooperation to track financial transactions and so on.

Implicit in the discussion so far is that 'critical dialogue' is an enhanced form of diplomacy and that variants on it can be found, not just in the Middle East, but elsewhere in world politics. The US on occasions indulges in similar activities to critical dialogue, most obviously with regard to China.

The above conceptualisation of critical dialogue suggests that the EU effort with regard to Iran has to date simply not been on a broad or deep enough front. The EU critical dialogue is focused on twice-yearly meetings of the Troika with senior representatives of the Iranian foreign ministry with Foreign Minister Velayati on occasions being involved. There are also preparatory meetings for these gatherings and diplomatic representatives of the Troika states in Teheran also meet and sometimes speak to the Iranian foreign ministry. EU states feed developments from their bilateral contacts with Iran into European Council discussions about the critical dialogue, and the European Council also provides direction to the Troika representatives before they meet with Iran groups. This suggests that the EU diplomatic representations must have a rather formal character, which does not fit easily with the free-flowing

rewards with insight, but may alternatively or additionally seek to persuade by the provision of new information. How does critical dialogue relate to these categories?

Because both states should develop a good understanding of each others' positions, critical dialogue should enable both to make improved threats and punishments, promises and rewards, since each will know accurately what the other side values and fears, and will be able to frame its policies accordingly.

With regard to persuasion, critical dialogue offers clear prospects of improved policy effectiveness since a state which has become accustomed to hearing another government speak frankly and accurately on one set of issues should be pre-disposed to listen carefully to what it has to say on other issues. Critical dialogue should have a confidence-building effect on the attitudes of the target state, leading the target state to believe rather than dismiss what its dialogue partner has to say.

This could be particularly valuable when a state wishes to play a mediating role in a dispute, as Germany did successfully in the summer of 1996 between Israel and the Hizbollah on an exchange of prisoners and combatants' remains. [2]

Also, with regard to a state like Iran where groups compete for influence, the information provided may be an indirect source of persuasion, winning particular groups in Iran over to a particular point of view and then providing those groups with the information ammunition with which they in turn can win arguments in Iran.

This concept of critical dialogue has implications for its relationship with traditional policy tools such as economic aid or even military sanctions. The most significant is perhaps that critical dialogue, being an activity with a different character from, for instance, economic sanctions, is not incompatible with, or an alternative for, the use of any policy tool. As Ali Massoud Assari has pointed out, the contrasting policy to dialogue is diplomatic isolation: he writes,

„neither policy is a perfect solution, but ... even limited and critical

communication at an official level is more subtle, flexible and constructive strategy than no communication at all. Given Iran's geopolitical situation, the US policy of isolation not only remains the less constructive of the two strategies, but is an unrealistic option."[3]

In practice, individual governments as they look at the world as a whole are not pre-disposed to either critical dialogue or sanctions. Any one government may pursue a policy dominated by critical dialogue with one state and a policy underlining economic sanctions with another. In the present international system, the US is persuaded of the benefits of 'constructive' or 'comprehensive' engagement' with China and of sanctions against Libya and Iraq. A few years ago, Western states were not unanimous on the issue of whether dialogue or sanctions should be the most prominent element in policy towards apartheid-dominated South Africa.

The issue can be which takes the lead - sanctions or dialogue - because in practice both can theoretically feasible. As the US showed with Vietnam, a period of dialogue can be needed to bring out that sanctions should indeed be eased or lifted. The US dialogue with Communist China increased in intensity from 1969 but it took until 1973 before formal US-Chinese diplomatic relations were established. Syria's transformation in the US from a pariah regime to one worthy of dialogue was achieved rather quickly because of Damascus' response to the invasion of Kuwait. Sanctions and dialogue are however incompatible when they have fundamentally different purposes. Through the mechanisms outlined, dialogue will normally be concerned with eventually inducing a target government to moderate and modify its position. Sanctions may also be intended to secure policy amendment, but they can alternatively be directed towards an actual overthrow of a government, as is currently the apparent case with Iraq. When a government introducing sanctions is dedicated to overthrowing a target regime, it will only maintain only a secondary interest in how that target regime thinks and so will be little interested in dialogue. The US apparently sees the Iranian and Libyan regimes as the major sponsors of terrorism in the world[4] and presumably

thus seeks their fall. Some US opinion presents relations with Iran as a zero sum game where the possibility of cooperation for mutual benefit is absent.[5] Many Europeans, while accepting that Iran illegally pursues and kills its own citizens abroad, and supports terrorist strikes in the Gulf and against Israel, do not share the US zero-sum perspective and see Iran in particular as often seeking to avoid confrontation with the West. There is a readiness in Europe to heed those who argue that the current Iranian regime is neither monolithic nor dogmatic in its Islamism[6]. Europeans tend to believe there are 'moderates' in the Iranian regime whose position can be strengthened by the supply of information. On the other hand, Thomas McNamara, US Assistant Secretary of State for Political Affairs, observed that 'searching for moderates in the Iranian regime is a particularly fruitless exercise'.[7]

This point illuminates a specific source of difference between the EU and the United States on critical dialogue. One European criticism of isolation as a diplomatic approach is that isolation cannot influence a target state behaviour because there is so little contact with it, whereas there is a chance of influence if messages are being exchanged. Thus German Foreign Minister Klaus Kinkel has been quoted as saying, in opposition to the D'Amato legislation, "We think it is more correct to remain in talks with Iran ... to work against the things that Iran is accused of".[8] However, the seeking Iran's isolation, the US may not seeking to change Iranian behaviour but to promote the fall of its demonised government.

Against isolation as a route to the overthrow undesired regimes, a credible line of argument asserts that isolated regimes, whether that of Gaddafi in Libya, Castro in Cuba or the SLORC in Burma, actually find it easier to cling on to power because their elites and general populations are denied so much contact without the outside world and their government can blame Western restrictions for their poor economic condition[9]. Moreover there is no guarantee that an undesirable government will be replaced by anything more favourable: Islamists are among Colonel Qaddafi's more effective opponents in contemporary

Libya.

Thus, depending on the behaviour of the target state, it may become appropriate to try to continue a dialogue in a condition of stress, even as new sanctions are being imposed, or it may be thought necessary to break off almost all contact if a regime acts in a quite intolerable manner. Then the dialogue initiator may well conclude that it no longer wishes to influence the behaviour of the target government, and instead wants to promote the establishment of a new, more favourable regime.

When and whether to underline dialogue and/or sanctions will be determined by the positions of both the target and the initiating state. The more serious are the offences committed by the target state, the more the initiating state will be drawn towards a stress on sanctions. However, the greater the cost of isolation and sanctions to the initiating state, the more reluctant it will be to endorse them. Sanctions on Iran for Germany are very expensive in terms of foregone economic opportunities and of the Iranian debts to Germany of $8.5 billion. These are unlikely to be repaid while the sanctions are in place. French anxiety to recover at least some of the money owed to it by Iraq is also apparent. Several EU states are major importers of Iranian and Libyan oil and are suppliers of oil industry equipment: sanctions threaten difficult disruptions of this trade[20]. The US is enthusiastic about dialogue with China because economic sanctions would be so expensive and difficult to arrange.

Conclusion

The current Western stance, in which the EU supports critical dialogue with Iran while the US advocates isolation, probably secures the worst of both worlds. It gives Iranians and others the chance to play the EU off against the US and it means no coherent message from the West is delivered. As an exiled Iranian journalist wrote: 'One favourite joke in Teheran ... describes critical dialogue as an exercise in which the Europeans invite the mullahs to tea so that they can criticise the Americans together.'[21] For critical dialogue to be effective, the US needs

to be persuaded of its value and to participate in some way.

It is difficult to point to solid evidence that critical dialogue has facilitated or lubricated changes in Iranian behaviour. As an Iranian critic pointed out, since 1990, 'more than 100 citizens of six European states have been kidnapped and held hostage in Iran or by Teheran-backed groups in Lebanon. Despite solemn pledges by the Iranian government not to sponsor acts of violence in the European Union, more than 60 Iranian dissidents have been murdered in nine EU nations. A total of 33 Iranian citizens are in jail in seven European countries on charges of terrorism.'[22].

On the other hand, German diplomacy could claim some credit for securing the release of two German hostages in 1992 who had been held hostage in Lebanon, and of a German engineer in 1994 who had been held in Teheran on spying charges. While critical dialogue and conventional diplomacy were probably the ultimate means by which these changes were secured, there is obviously the possibility rather specific inducements or threats were also made to Iran. It may not have been a matter of Germany simply persuading Teheran that it would be in Iran's interest to release these people. This is the broader context to Abol-Hassan Banisadr's accusation that the Ayatollah Khameini had signed a death warrant for the Kurdish leader, Sadiq Sharafkindi, who was assassinated with two colleagues in Berlin in 1992, and to the German arrest warrant on the head of the Iranian foreign intelligence service, Ali Fallahian, who is such a prominent dialogue partner of Bernd Schmidbauer in the German Chancellor's Office.[23]

In 1996 there are signs that Gemany at least is losing patience with the lack of clear results from critical dialogue, ironically at a time when the US is starting to doubt the wisdom of its policy of isolation and sanctions against Iran.[24] Speaking in the US in May 1996, German Foreign Minister Klaus Kinkel announced that he had written to his Iranian counterpart demanding:

- a clear, positive and publicly visible position on the Middle East peace process,

- recognition of the democratically elected Authority as the legitimate representative of the Palestinians,
- visible fulfilment of Iran's assurance that it will provide neither financial nor logistical support for terrorists in the Middle East,
- that Iran exercise influence on the Hezbollah with a view to a peaceful settlement in Lebanon, and
- Iran's active participation in cooperative and peace-oriented solutions in the Middle East.[25]

He can scarcely be content that his demands have been met.

A basic criticism of the EU critical dialogue with Iran is that it has been pursued on such a limited scale and in such an unchallenging way as far as Iranians are concerned. Cynically it might be asked if the EU states are not actually pinning their faith on growing ties of economic interdependence as a means of constraining Iranian behaviour, with critical dialogue providing little more than a fig leaf for their materialist approach.

Cynically it might also be asked whether the few resources devoted to the dialogue do not reflect Iran's limited importance for the Europeans. On the one hand, the EU critical dialogue initiative appears part of a wider feeling, reflected in the Barcelona Conference and French/European efforts to become more involved in the Arab-Israeli peace process, that the Middle East is of vital interest to Western Europeans and that Western policy towards the Middle East should not be completely dominated by the United States. On the other hand, a German official in DG1B of the European Commission, writing recently about Europe and the Mediterranean, underlined the centrality of economic development for political relations, emphasised the importance of the Arab world for Europe, noted that Israel, 'a model performer' will have 'the closest possible relationship with Europe', and judged that Europeans will not have to be 'excessively concerned' about Turkey because of the human and natural resources which it possessed. He did not mention Iran[26]. While all this is understandable given Iran's lack of a Mediterranean coast and the official's lack of responsibility for Iran, it remains the case that

Iran's relative insignificance is implicit in the arguments he offers about the importance of the EU's Arab relations. Certainly, unless the critical dialogue can be undertaken with more depth, breadth and flexibility, with EU states seeking vigorously to address the root causes of their differences with Iran, it is hard to see how much progress can be made.

ENDNOTES

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5. See for instance, the reported observation of Peter Rodman, from the Nixon Center for Peace and Freedom in Washington, that 'anything that strengthens Iran is a menace to all of us', in 'Germany Takes Flak on Iran Policy', *Defense News* 30 September-6 October 1996.

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U.S. POLICY OF SANCTIONS: PROSPECTS FOR REVISION

Phebe Marr

Research Group on European Affairs, University of Munich

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The Project 'Europe and the Middle East'

The Middle East peace process and the Mediterranean initiative of the European Union have been an incentive for the Bertelsmann Foundation, Gütersloh, Germany, and the Research Group on European Affairs at the Center for Applied Policy Research, University of Munich, to involve themselves intensively with the future of the relationships between the regions south and north of the Mediterranean. The partners co-operated in 1994 to institute the project 'Europe and the Middle East', thereby completing their involvement with various European problems. The project aims to mediate between the two regions, providing concepts facilitating the development of more intensive relationships. At the same time the project is an attempt to build bridges between political theory and practice. In order to formulate constructive policies for the development of intensified transregional relations, the world of politics should make use of academic approaches and concepts. On the other side, academics of political science benefit from contact with practical application.

The basis for the project are the annual 'Kronberg Middle East Talks', at which representatives from science, economics and politics exchange ideas on current topics of Euro-Mediterranean relations. These conferences are prepared by a cycle of workshops, which deal with questions related to international security, economic development and the governmental and social transformation of the region.

Phebe Marr is Senior Fellow at National Defence University, Washington, USA.

Summary

The U.S. and Europe do not disagree over the ultimate goals of policy toward the four countries in question (Iran, Iraq, Libya and Sudan); both would like to see a change of behavior on critical issues (terrorism, subversion of neighbors, acquisition of Weapons of

Mass Destruction (WMD), and human rights).[1] However, they do disagree over assessments of the threat posed by pariah regimes, their potential for change, and above all, over policy prescriptions. Europe sees less threat and more willingness to change than the U.S. and prefers dialogue; the U.S. is more willing to use coercive diplomacy and sanctions. These divergent positions stem, in part, from different geostrategic roles. The U.S., as the sole remaining superpower, is the only country with the military reach and power to undertake the role of regional policeman; hence security concerns are uppermost in the U.S.. The U.S. is also less dependent economically on the Middle East and is better able to withstand sanctions. Europe's relationship with the region is primarily commercial; hence it is more reluctant to cut trade and more favorably disposed toward engagement.

U.S. sanctions policy has been driven by several foreign policy factors, and the prospects for sanctions revision are unlikely to change substantially without a change in these factors.

In Iraq, there has been some discussion in the U.S. of sanctions relief, but reintegration, while the current leadership remains in power, is probably out of the question. Substantial change in the sanctions regime will be difficult and could involve a bitter partisan debate. UNSCR 986 probably represents the limits of U.S. flexibility on sanctions, at least in the near term (two to four years). However, it is possible that further easing of sanctions could take place under this resolution.

In Iran, distrust of the regime, as a legacy of the hostage crisis, is slowly subsiding. Despite statements from Congressional leaders to the contrary, the aim of U.S. policy is a change of behavior, not of regime. The U.S. wants an end to Iran's support for terrorism, its opposition to the peace process, and its acquisition of WMD. The possibility of reopening a dialogue with Iran is receiving some discussion in policy circles, but a change in the current sanctions on Iran would require some change of behavior.

In Libya, the U.S. position on sanctions is focused on extradition to a U.S. or British court of the two perpetrators of the PanAm bombing. Thus far there appears to be little give on this issue. The U.S. also has problems with Libya's record of support for terrorism; its attempts to subvert its neighbors, and its attempts to acquire WMD. For a change in U.S. policy, some evidence of a change of behavior on these issues would also be necessary.

In Sudan, U.S. sanctions are mild (Sudan has been placed on the U.S. terrorist list). Here the U.S. opposes a pattern of support for terrorism in Sudan, as well as its efforts to destabilize its neighbors and to prosecute the war in the south. The U.S. maintains diplomatic relations with Sudan, but has recently given non-lethal military aid to three of Sudan's neighbors in an effort

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[1] The views in this paper are those of the author and to not reflect the opinions of the National Defense University, the Department of Defense or the US Government.

to curtail Sudan's destabilization efforts. The U.S. is likely to continue its policy toward Sudan until it achieves the desired changes in behavior.

U.S. sanctions policy has also been driven by domestic factors.

a) Chief among these has been the influence of domestic interests groups. These may play a greater role in the U.S. than Europe because of the division of power between the executive and legislative branches (and the increased role of the latter in foreign policy); because of the increased influence of the media and public access to it, and because of the growing importance of non-government actors, such as human rights groups, in foreign policy formation. The most powerful of these groups has been the Israeli lobby, which has exerted pressure on both branches of government to take action against terrorism and to curtail the spread of WMD in the region. Exile groups opposed to the regimes in these countries, especially those from Iraq and Iran, also play a role in influencing assessments of the regimes in question and act as a bar to modifying sanctions. Lastly, families of terrorist victims, especially those connected with the PanAm bombing, also play a role in shaping legislation. Middle East allies, particularly Kuwait, Saudi Arabia and Egypt, who feel threatened by these regimes, influence thinking about sanctions policy. However, as neighbors of these countries, they are often ambivalent about measures to be taken to contain the threat, fearing future backlash.

b) U.S. foreign policy has also been influenced by the emergence of new political actors in Washington. Since 1992, both the White House and Congress, have been occupied by elected and appointed officials representing a new (younger) generation, born and raised mainly in middle America, with little or no experience in foreign affairs. They are, for the most part, focused on domestic reform. Many of the newcomers appear increasingly unwilling to undertake the hard work of diplomacy or to put resources or time into foreign policy. However, the new elite recognizes U.S. security interests and is often active in pursuing them. Such a mindset is more conducive to coercive diplomacy (sanctions/ military actions) than to engagement (dialogue). Moreover, it has resulted in a new, more unilateralist foreign policy style. While the Clinton administration has acquired considerable foreign policy experience in the last four years, it will still have to contend with the continuation of similar instincts and tendencies in Congress over the next four years.

c) A short term perspective also tends to dominate Washington thinking, due to the increasing time and effort put into two and four year election cycles. This emphasis does not encourage long term planning; rather it may lead to unrealistic expectations of the kinds of changes that can take place abroad within a short time frame. The engagement sought by Europeans is, by definition, a long term process. Sanctions, on the other hand, is an instrument which can be used to assert leadership and send an immediate signal, not only to the target regime but to others who may contemplate similar behavior. And some (but not all) sanctions may be easier to apply in the U.S. system, through executive order.

What, then, is the potential for a revision of sanctions regimes on the four countries in question, particularly since the systemic conditions described above will certainly persist in Washington over the next two to four years? Some factors are already producing discussion of policy revisions toward these countries. First, the costs of the dual containment policy in the Gulf are rising, particularly with respect to the military presence, a factor which will count with a budget conscious Congress. Second, the split in the alliance has not gone unnoticed and is generating discussion of damage control. Third, the toll taken by sanctions on Iraq is causing consternation among U.S. regional allies, who fear its disintegration and the consequent domination of Iran. Lastly, it is increasingly recognized that sanctions, as currently applied, are a blunt instrument, whose benefits may be outweighed by the long term costs.

However, substantial changes, at least in the short term, should not be expected, barring some dramatic international crises. In the U.S. view, sanctions have achieved some benefits. In Iraq, they have helped produce compliance (not yet complete) on UN resolutions, and they continue to weaken a military which still constitutes a threat to northern Gulf states. In Iran, they have helped reduce arms purchases and possibly delayed a nuclear program. In Libya, they appear to be generating some rethinking by Qadhafi. However, there may be some opportunity for flexibility in some areas. One would be the possibility of a U.S. dialogue with Iran after the Iranian election, and/or developing a joint position with the G-7 allies that would put some teeth in the European dialogue. (This would depend on the "health" of that dialogue following the Mykonos trial). In Iraq, it may be possible to expand oil exports and trade, in return for tighter controls over military imports, and to encourage a gradual opening to the Iraqi population.

What future steps should be taken, in order to deal with the countries under consideration?

1. In the U.S. view, the focus should be on a change of behavior in the four countries, rather than on reintegration. Reintegration should follow, not precede, serious evidence of change.

2. A more nuanced policy, tailored to the specific circumstances of the four countries involved, should be developed. The issue is not either dialogue or sanctions but a flexible application of both positive diplomatic instruments and constraints. More attention needs to be put on the context in which change could take place in each of these four states.

3. Sanctions can produce some benefits, but they need to be fine tuned so as to 1) affect the target regime, not the populace, 2) minimize damage to neighbors and trading partners, and 3) best affect change, rather than increasing resistance and support for objectionable regimes.

4. The dispute between the U.S. and Europe over dialogue vs. sanctions needs urgent attention. G-7 allies should work out a compromise, especially on Iran, in which a common

set of goals is elaborated, and some benchmarks in behavior established in return for engagement. Similar discussions should ensue with respect to Iraq and Libya.

5. In Iraq, UNSCR 986 represents the U.S. compromise on easing sanctions; the U.S. is unlikely to eliminate all restraints on oil exports while the current leadership is in power. However, this resolution can be used to expand oil exports and rehabilitate Iraq's social structure, in return for tighter controls on military imports. Ways should be found to open channels of communication (a critical dialogue) and travel for Iraq's middle class from which future leadership will have to be drawn.

6. The U.S. and Europe should discuss the feasibility of an international regime, building on the Barcelona process, for encouraging and monitoring changes in all four regimes, in return for engagement and easing of sanctions. Regional partners in this process may be better placed to engage these regimes on changes of behavior. A security dimension, involving the U.S., might be added to the Barcelona process. A promising beginning could be made by developing CBMs to avoid conflict in the Gulf which, if successful, could be expanded to other areas of concern.

Introduction

While the U.S. and Europe may differ over policy approaches toward the countries under discussion, they do not differ over goals and ultimate objectives. Both regard the four countries in question as destabilizing elements in their region; engaging in behavior to a greater or lesser degree, unacceptable by international norms. This behavior ranges in seriousness from military aggression against neighbors (Iraq) to domestic subversion of regimes of which they do not approve (Iran, Iraq, Sudan), to support of terrorism (all four). Their human rights records range from poor to abysmal. Both Europe and the US would like to see, at a minimum, a change of behavior by these regimes, and many would also welcome a replacement of the regimes in the unlikely event this could be accomplished with little disturbance.

The US - European differences hinge on two issues:

a) First, they disagree over assessments of the nature of the regimes in each of these countries; the degree of threat they pose, and the potential for change within each regime. In general, the US policy community sees either little evidence of change thus far on issues of concern (Iran, Libya, Sudan) or slow and reluctant change which has had to be compelled by forceful

measures over a long period of time (Iraq). Hence they are more skeptical of the willingness of regimes to change. (This is truer of Iraq and Libya than Iran and Sudan). The US is more concerned over the short and long term threat posed by all four countries and rates it higher than do Europeans (Iraq, Iran, Libya). Hence, it is more insistent on serious changes in behavior, and is unwilling to accept cosmetic or merely tactical changes. Because of its global leadership position, the US also uses sanctions to demonstrate firmness, and send a political message to states other than the target state. Europeans regard these states and their regimes as weaker and more inclined to respond to traditional diplomatic and economic incentives than does the U.S. Europeans appear more sanguine about the prospects for change over the long term under current regimes and more willing to ride out the short term difficulties while waiting for the evolution. They tend to put the emphasis on economic development and a strengthening of the middle class as the route to change. [2]

b) Second, as a result of these assessments, Europe and the US differ over policy prescriptions. If a change of behavior is desired in the target states, what is the best way to achieve it? Europe is more willing to hold out a "carrot" (engagement, dialogue), in an attempt to shift the domestic balance in favor of "moderates" (Iran) or to provide inducements for change. The US is skeptical about the efficacy of such inducements, and more willing to adopt punitive measures and coercive diplomacy (sanctions, military actions) that compel states to make a choice between behavior options, and put a price on undesirable behavior. (The efficacy of these approaches will presumably be considered in the case studies; this paper will focus on US policy views).

Underlying the different approaches, and fundamental to them, is a third factor: the different geostrategic positions of Europe and the US and the divergent roles played by them. While the US may be a reluctant superpower, it is now the only one. Much of US policy is driven by security concerns derived from this role and its function as the chief "policeman" in the Gulf, and to a lesser extent, in the Mediterranean. The US military is the only one with the size and reach capable of performing this role, although it gets support from its allies. The US does not want to fight another war in this region and is focussed on deterring conflict and preventing proliferation of WMD, and a build up of conventional offensive weapons. Sanctions are seen as a robust "containment" policy that reduces revenues for expenditures on weapons procurement.

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[2] Underlying this "assessment" gap is a philosophic difference which is not confined to either side of the Atlantic. In a perceptive article on the differences between those who favor persuasion (Oxygen) and those who prefer dissuasion (asphyxiation), Frankly Lavin claims that the latter are Wilsonians who are inherently pessimists, viewing the international situation as a series of problems in need of correction. The former, exemplified by the business community, are optimists who view problems as capable of amelioration by economic growth. (Franklyn Lavin, "Asphyxiation or Oxygen: The Sanctions Dilemma", Foreign Policy: 104 (Fall, 1996), p. 152.

Europe cannot match the US military posture. Rather its primary relationship with the region is commercial. Europe is more dependent on Gulf and Libyan oil than the US, and it exports more to the region to pay for the oil. In 1992, for example, almost 4 million b/d of Middle East oil was exported to Europe, 25 percent of all the region's production. Germany alone exported goods worth almost $20 billion to the Middle East, about equal to the US. The French, Italian and British added $14, $13.5 and $10.6 billion to that figure. Libya directs most of its oil exports to Europe.[3] This is not to claim that the US, particularly under the Clinton administration, is uninterested in trade. The US unquestionably reaped commercial advantages from the Gulf war, a factor contributing to some tension with Europe, particularly in the highly competitive market of the Gulf, where two large markets, Iran and Iraq, are restricted by US and UN sanctions policy. But it does mean that an asymmetrical division of labor has arisen between the US and Europe. The US provides most of the military capacity for regional deterrence; the Europeans are the region's major trading partner. It is not simply that Europe must pay more attention to commercial interests; it looks on trade and economic leverage as a means of achieving its goals because that is essentially the only one open to it. The US, by contrast, has an array of options, including the military, and with its large and diverse economy, is better situated to take a harder line on sanctions.

Aims and Goals of U.S. Policy

The US has multiple aims in applying sanctions to the states under discussion, and while they may overlap, they differ in emphasis from state to state. Hufbauer, Schott and Elliot (hereinafter HSE)[4], have suggested a typology of motives. Rather than adhering to these, I prefer three broader headings, under which the HSE goals can be subsumed.

a) The first is a change of behavior on key issues of importance to the US and/or compliance with internationally recognized norms of behavior. In the case of Iraq, the changes sought are comprehensive and fundamental, and they are set forth in the UN resolutions adopted at the conclusion of the Gulf war, especially those relating to UNSC Resolutions 687 and 688. In the case of Iran, the US seeks a change of behavior in clearly specified areas: an end to engagement in and support of terrorism; active opposition to the peace process, and attempts to destabilize its neighbors. In Libya, the US seeks relinquishment of two Libyans indicted for complicity in the Pan Am bombing over Lockerbie. Beyond this, however, sanctions are more broadly designed to end Libya's support for international terrorism and its regional

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[3]   Rodney Wilson, "The Economic Relations of the Middle East: Toward Europe or Within the Region?", Middle East Journal 48:2 (Spring, 1994), p. 269.

[4]   Clyde Hufbauer, Jeffrey Schott, Kimberly Elliot, Economic Sanctions Reconsidered, second edition (Washington, DC: Institute for International Economics), 1990, chapter 3. These goals are: modest changes in target country policies; major changes in target country policies; disruption of a military campaign; impairing the military potential of a target country; and destabilizing the target country government.

adventurism. Sanctions on Sudan are meant to change a "pattern of support for terrorism", although the US would also like an improvement in Sudan's human rights behavior, particularly as it affects the civil war in the south, and attempts to destabilize neighbors.

b) A second set of motives can be subsumed under the heading of containment, that is, deterring aggression and weakening or, in the HSE phrase, "impairing the military capacity" of target governments. In three of the four countries (Iraq, Iran, Libya), the US is concerned with the acquisition of WMD or expansion of already existing programs. Trade restrictions and constraints on investment and revenues are seen as a means of reducing the income of target states available for expenditure on arms and forcing a choice between "guns" and "butter".

c) A third US policy aim may be replacement or destabilization of target governments. While the US would clearly like to see a replacement of all four government, this is not the explicit aim of any of the sanctions regimes. Policy in this realm is, of course, murky. How does one distinguish what is merely desirable from a real policy commitment? Or make a distinction between statements of encouragement and active support for destabilization efforts, particularly since the latter are likely to be covert and subject to official denial? This aim is most applicable to Iraq where the US has not bothered to conceal its desire for a change, and has supported opposition groups inside and outside the country committed to toppling the regime. Numerous "unofficial" statements have been reported indicating that one purpose of sanctions (and other constraints on Iraq) is to weaken the Baghdad regime and encourage those inside Iraq to put an end to it. However, the US has carefully avoided making this aim explicit. Nevertheless, policy statements indicate that the US will make Saddam's removal a necessary (but possibly not a sufficient) condition for a full removal of sanctions. The US has specified that it "will work to maintain [sanctions] until the Iraqi regime complies fully with all UN resolutions..." [5] Removal of the regime in Iran is not an official goal of sanctions or of

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[5]   Statement by Robert Pelletreau, Assistant Secretary of State for Near East and South Asia, before the House International Relations Committee, September 25, 1996. Elsewhere the administration has stated that the US would "use our veto to prevent any premature lifting of sanctions", although the US does not think that will be necessary. (Robert Pelletreau, Questions and Answers for the Record, submitted by Representative Lee Hamilton, House International Relations Committee, April 6, 1995). Other statements indicate that the US will hinge this reservation on Iraq "demonstrating that it is no longer a threat to international peace and security. (Department of State, Economic Bureau, Press Guidance, September 9, 1996). In a 1995 statement to Congress, President Clinton laid out US conditions which would allow removal of sanctions. "I continue to be determined to see Iraq comply fully with all its obligations under the UNSC resolutions. I will oppose any relaxation of sanctions until Iraq demonstrates its over all compliance with the relevant resolutions. Iraq should adopt democratic processes, respect human rights, treat its people equitably and adhere to basic norms of international behavior." (cited in testimony by Madeleine Albright to the Subcommittee on Near East South Asian Affairs, Senate Foreign Relations Committee, August 3, 1995). Since no one who knows Saddam Husain expects fulfillment of these criteria, this is as thinly veiled a statement of an insistence on his removal before the US is willing to vote on full sanctions removal as one can expect. Whether US resources and efforts will match this goal is another matter.

US policy despite efforts by some in Congress to make it one. On the other hand there is little interest in strengthening a regime seen as increasingly weak and in economic trouble. In Libya, the US has made some effort in the past to destabilize the regime, but the aim of the current sanctions regime is more limited. In Sudan, despite recent reports that the US has begun some movement in this direction by providing support to neighboring governments who seek to undermine the Sudanese government, the State Department denies this claim. In the official view, the US aim is to support neighboring governments being destabilized by Sudan.[6]

There may be some logical contradictions in attempting to achieve all three aims at once. If compliance with UN resolutions or a change of behavior is the main goal, it may be more difficult to accomplish if the target government feels the real goal is its replacement. On the other hand, if a mere change of policy is the goal, this implies a willingness to live with the "changed" regime. Iraq is the case where the US may have to face this contradiction at some time in the future if a majority of UNSC members deem that Iraq has met Chapter 22 requirements and vote to lift the oil embargo. It is not clear that the US is yet ready to accept this logic. In practice, however, the US does not see a contradiction. Rather, it views its aims as ranging from minimal to maximum, with destabilization a tool to achieve all three.

While the Iraqi case is unique in some respects, especially the degree of UN consensus on sanctions, it does illustrate a phenomenon in US sanctions policy that applies to other cases as well. Iraq's intransigence, and slowness to comply, has reinforced intransigence in Washington. While Washington's original expectations on compliance (and regime replacement) may have been reduced over time, so, too, has its willingness to change its own position. In Libya and Iran, the US also sees little positive change. This has led to a tightening of sanctions, rather than a willingness to consider alternatives. Indeed, in all four cases, sanctions measures have been intensified and expanded since they were first introduced, and in some cases military actions have been used, or contemplated, in addition. Initial failure to achieve their aims in a timely manner has, in short, not led to reconsideration, but to a tightening and expansion of sanctions regimes.

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[6]   In a Washington Post article, November 10, 1996, David Ottoway claimed that "the U.S. government is about to send military aid to three African countries collaborating to help overthrow the militant Islamic regime in Sudan..." (David Ottoway, "Wielding Aid, U.S. Targets Sudan",, Washington Post, November 10, 1996). The State Department issued press guidance on November 12, 1996 claiming that "the article is correct in supplying some information on our non-lethal, defensive military assistance program to Ethiopia, Eruitrea and Uganda. However, it draws some wrong conclusions on US policy toward Sudan". The statement flatly denied the US sought to overthrow the Sudanese regime. Rather, the aid to the three countries was "to assist them in countering Sudanese sponsored aggression." (Africa Bureau, Department of State, Press Guidance, November 12, 1996).

Application of US Sanctions

Iraq

US policy on sanctions toward Iraq draws heavily on lessons learned from the pre-Gulf war experience. In the decade before Iraq's invasion of Kuwait, the US followed a cautious policy of "carrot" and "stick". In 1982, after expelling Abu Nidal, Iraq was taken off the terrorist list, the only country to achieve this distinction, and was eligible for loans; in 1984, diplomatic relations, broken in 1967, were restored and the US began a policy of engagement. The US also concluded a trade agreement with Iraq, approved sales of some dual use items, and gave a green light to allies to sell arms to Iraq. [7] The US "tilt" toward Iraq in the Iran-Iraq war is well known. In the aftermath of the war, relations began to deteriorate and they became a subject of bitter partisan debate between a Democratic Congress and a Republican administration, as the spotlight was increasingly thrown on Iraq's treatment of the Kurds, its use of CW during and after the war, evidence of a developing nuclear program, and the misuse of US loan funds in the BNL scandal. But the policy was slow to change. Iraq's invasion of Kuwait took the US by surprise, and the administration subsequently paid a price in attacks from the opposition. As a result, the "carrot" and "stick" policy has been deemed a major policy failure, one that took a costly war to undo. Moreover, it has taken a heavy career toll on some of those involved, who have been blamed for having seen a "change of behavior" where there was none. Few in Washington are willing to make the same mistake again, whether in Iraq or elsewhere.

The current sanctions regime on Iraq is unique in its comprehensiveness and severity. It includes an embargo on Iraq's oil exports; a freezing of its assets abroad, and export sanctions on all but food, medicine and life sustaining goods. These sanctions were imposed by the UN immediately after Iraq's invasion of Kuwait, in an effort to compel withdrawal. They failed to accomplish this purpose, but did achieve several other purposes. They helped convince waverers in the US Congress of the need for military action, and they allowed time to achieve a remarkable international coalition and to prepare for war. These sanctions have been retained in the post war period. The most important provisions of the sanctions regime are embedded in UN resolutions, most importantly the cease fire resolution 687 (which falls under Chapter VII of the UN charter permitting military enforcement). This resolution includes the key provision, under chapter 22, specifying that when Iraq's WMD and long range delivery systems are dismantled, the oil embargo should be lifted. UN resolution 688 specifies that Iraq should cease repression of its people, and interference with humanitarian efforts. Under these resolutions, No Fly Zones have been imposed north of the 36o and south

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[7]   Evin Day, "Economic Sanctions Imposed by the United States Against Specific Countries 1979 through 1992." (CRS Report to Congress) (Congressional Research Service (CRS): Washington, DC) August 10, 1992.

of the 32o, the latter recently extended to the 33o.[8] Some easing of these sanctions for humanitarian purposes is to be put into operation shortly. Resolution 986 allows for $1 billion of oil to be sold over three months, renewable for a second three months. There are tight restrictions to assure that the benefits flow to the population, including an escrow account for the oil revenues; monitoring of purchases, and over 200 monitors to assure that the goods are appropriatedly distributed.[9]

US support for Resolution 986 probably represents the limits of US willingness to ease sanctions. The US is convinced that it will take a change of regime to get a fundamental change of behavior, that is, one that does not have to be compelled by sanctions and/or military actions. Because of Saddam's intransigence and deception, distrust of him in official circles in Washington is greater than it was at the onset of the Gulf war. While the US has invested some resources in destabilization efforts, these have not been major nor have they been successful. The US considers that sanctions are contributing modestly to that aim. While they are surely weakening society more than the regime, problems of inflation, dwindling resources for distribution among his followers, isolation, and discredit brought about by the regime's conduct, as measured by defections and repeated, though unsuccessful plots to unseat him, all indicate some toll is being taken. However, the US considers that sanctions have made a major contribution to such compliance with UN resolutions as has occurred, although compliance, six years after the war, is still not complete. Sanctions have also weakened Saddam's military and greatly reduced his potential for acquiring WMD. His military, although still formidable by regional standards, is gradually suffering from attrition. It has no access to high tech equipment. lack of spare parts is eroding readiness and capacity for extended campaigns and morale is poor as evidenced by numerous defections. In the US there is some limited discussion of a need to review Iraq policy, but there is little evidence as yet that either the administration or Congress will favor--even countenance--a full removal of sanctions while Saddam is in power. Rather, the US is more likely to consider UN Resolution 986 the vehicle for easing sanctions, possibly allowing more oil to be sold over time, but maintaining the constraints on sales and distribution.

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[8] In addition, under 688 a safe haven was created for Kurds in the north of Iraq, monitored by a small Military Coordination Committee, consisting of US, British, French and Turkish forces, recently withdrawn. Saddam later withdrew his forces from a much larger exclusionary zone leaving the Kurds in control of this region. In the south, UNSC resolution 949, passed in October 1994, after Saddam Husain massed his troups on the Kuwait border, has been interpreted by the US and British as establishing a "no drive zone" south of the 32o from which Republican Guard units are prohibited. (Kenneth Katzman, "IraqiCompliance with Cease Fire Agreements, CRS Issue Brief. (CRS, Washington, DC), October 31, 1996, p.8.

[9] Katzman, Op Cit. p.8.

Iran

US sanctions on Iran date from the 1979 revolution and the hostage crisis, when diplomatic relations were broken.[10] While many of these restrictions were relaxed after January, 1981 when the hostage release took place, relations with Iran have never recuperated and a number of restrictions have been reimposed. The chief motive for sanctions has been the US desire to curb or eliminate Iran's support of terrorism. Based on evidence of Iranian involvement in the October 1983 bombing of the US marine barracks in Lebanon, Iran was designated a state sponsor of terrorism, which disqualified Iran for foreign aid, sales of munitions and Export/Import Bank credits. But in the US view, these did not curb Iranian support for terrorism, which has continued in Lebanon, in Europe, in Latin America and elsewhere.[11] In particular, Iranian efforts to derail the peace process, a major US foreign policy priority, is a concern. This issue was brought into focus early in 1995 when Palestinian terrorist attacks, some from Iranian supported groups, were blamed for the failure of the Labor government to win reelection and the subsequent slowing of the peace process. A second motive is to prevent Iran from acquiring a nuclear capacity and to limit its development of other WMD and delivery systems. This issue, too, caught the attention of policy makers in 1995 when Iran conducted simultaneous negotiations with Russia and China for nuclear cooperation. The US is also concerned over Iran's build up of missiles in the Persian Gulf and its militarization of the island of Abu Musa shared with the UAE. This build up gives Iran the potential for harassing Gulf shipping.

To constrain Iran, the US initially focused on trade controls. In October, 1987, following Iranian attacks on Gulf shipping during the Iran Iraq war, the US embargoed imports from Iran and banned exports of military goods and dual use chemicals. These restrictions did not prevent US companies from trading in oil and other goods outside the US. By the early 1990s, the US had become a major trading partner of Iran. In 1992, exports reached a peak of $748 million and by 1994, US companies bought 25% of Iran's oil for sale overseas. In return, the US exported oil drilling equipment, spare parts and food.

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[10] These included halting military spare parts shipments (November 8, 1979); a ban on imports of crude oil (November 12); freezing Iranian assets in the US (November 14); a ban on all US exports (April 8, 1980); an embargo on all Iranian imports (April 7, 1980), and restricted US travel to Iran (April 7, 1980). (Kenneth Katzman, "Iran: US Containment Policy", CRS Report for Congress. (CRS, Washington, DC) August 11, 1994, p.8.)

[11] In the US view, Iran is the primary patron of the Lebanese shi'ah militia, Hizballah, responsible for rocket attacks on northern Israel and on the Israeli supported SLA forces in south Lebanon. They have linked Iran to Hizballah's March 17, 1992 bombing of the Israeli Embassy in Buenos Aires. The Iranians have also been involved in the killing of dissidents abroad, most notably the Mykanos case in Germany.There are numerous reports that Iran is funding and training Hamas and the Palestinian Islamic Jihad (PIJ) on the West Bank and Gaza responsible for terrorist attacks in Israel. Secretary of State Christopher has stated that Iran provides up to $100 million a year to Hizballah and several million a year to Palestinian groups opposed to the peace process, including Hamas and the PIJ. (Kenneth Katzman, "Iran: Current Developments and US Policy". CRS Issue Brief. (CRS, Washington,DC), November 27, 1996, pp. 6-7.)

This trend, however, was dramatically reversed in 1995 by a series of events, some initiated in Iran and some driven by domestic politics in the US. Early in 1995, both Russia and China conducted simultaneous negotiations with Iran for construction of nuclear power stations. The Russian deal included a gas centrifuge. Despite the fact that the deal fell within NPT controls, the US was convinced that Iran was following the previous Iraqi path to a nuclear weapon. In March, 1995, Iran further outraged US officials by publicly supporting terrorism in Israel. When Palestinian suicide bombers killed 59 Israelis, Husain Shaikolislam, a Foreign Ministry official, met with leaders of Hamas and the Palestinian Islamic Jihad, announced the collapse of the peace process and supported the action.[12] In addition, the Oklahoma bombing at about the same time, made "terrorism" a "hot button" issue in Washington. Both the WMD and the terrorist issue were of concern to Israel, and pro-Israeli interest groups (some of them pro-Likud) took up the issue. Partisan politics added fuel to the fire. In February, House Speaker Newt Gingrich had called for the removal of the regime. Pressure for taking action on Iran came to a peak in March, 1995 when Tehran concluded a deal with CONOCO to develop two offshore fields. The timing could not have been more unfortunate. Europeans, especially German Chancellor Helmut Kohl, had raised the issue of US trade with Iran while criticizing European trade and credits. Both the Republican dominated Congress and pro-Israeli groups now advocated firm action on Iran. Senator D'Amato introduced two bills in the Senate; one prohibiting US companies and their subsidiaries from doing business in Iran and the other imposing sanctions on foreign companies that were doing so. To head off further opposition, President Clinton, in March, issued an executive order barring US persons and companies from financing or managing development of Iranian oil resources. This prompted CONOCO to withdraw its offer, and in July, the French firm, Total, filled the gap. On May 6, after a review of policy, the administration announced a ban on all trade and investment with Iran. In September, D'Amato introduced a bill designed to penalize foreign companies, like Total, that were helping Iran. Negotiations with the administration finally led to a scaled back version of the bill sanctioning foreign investment in Iran's oil and gas industry. The final version (signed into law in August, 1996) penalizes foreign companies that invest $40 million or more in Iran's oil industry requiring the president to take at least two actions against such companies, ranging in severity from denial of Export Import Bank loans to a prohibition of imports from the sanctioned firm. It is this law which has put the US policy into such sharp contradictions with Europeans and other trading partners.[13]

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[12] Fawaz Gerges, "Washington's Misguided Iran Policy", Survival, 38:4 (Winter, 1996-1997), p.7.

[13] This account has been drawn from Gerges, Op. Cit., p.7; Edmund Herzig, "US Sanctions on Iran and their Effects", unpublished paper, RIIA Conerence on The Politics of Sanctions, November, 1995; and Kenneth Katzman, "Iran:Current Developments and U.S. Policy", pp. 12-13. For an excellent account of the major differences in US and European approaches to this subject, see Patrick Clawson, "What to Do About Iran", Middle East Quarterly, (December, 1995), Washington, DC.

While the bill has yet to be tested, the outcry from European allies and others is causing some discussion of damage control in the US. But there is little evidence yet of a willingness in Congress to modify the law. However, the president may be cautious about invoking the sanctions if Europeans can be persuaded to accommodate U.S. concerns on Iran (as they have apparently done on Cuba). One way this might be accomplished would be by putting teeth into the critical dialogue. Specific and pragmatic changes of behavior of concern to both the US and Europe could be raised with threshholds established for measuring performance. Such a process could improve the climate which led to the laws in the first place, and possible help ameliorate their effect. Meanwhile there has been some discussion in academic circles about a dialogue with Iran. In a speech to US business representatives in the Gulf in October, 1996, Robert Pelletreau stated that "the U.S. is willing to enter an authorized dialogue with the Iranian leadership." While this has always been U.S. policy, the statement caused a flurry of media interest. There is no evidence that leading circles in Iran are yet ready for such action. This must be juxtaposed with reports out of Riyadh indicating that Iran may have had a hand in the bombing of US military quarters in Dhahran. If such complicity is established, pressure on the US to take military action will mount. Even if there is no such proof, enough suspicion has been roused to raise cautions on any easing of sanctions.

In sum, then, as with Iraq, US sanctions on Iran are designed to change behavior (on terrorism/ the peace process) and to contain its military build up. In the US view, there has been no significant change of behavior on these issues. On the other hand, sanctions have marginally hurt on already weak economy, and contributed to a scaled back armaments procurement program. An extremely ambition 1989 plan to acquire a range of weapons has had to be cut, at least in half.

Libya

The US has had a stormy history with Libya since the overthrow of the monarchy in 1969. Beginning in 1973, the US introduced a series of over 20 sanctions on Libya that banned a wide variety of activities, including transfers of weapons, foreign aid; importing Libyan oil, engaging in trade, and Export/Import loans. These were placed on Libya primarily because of Libya's involvement in terrorist activities. Libya has been accused of providing financial or material support for a number of revolutionary groups; carrying out assassination of opponents abroad, and offering a $1 million award for the assassination of Egyptian President Sadat. In December, 1979, the US embassy in Tripoli was attacked and burned by government sanctioned mob violence. In 1979, Libya was put on the US terrorist list, and thereby denied aid, arms sales and loans. This was followed by a ban on US travel to Libya.

In December 1985, in near simultaneous terrorist attacks against airports in Rome and Vienna, 25 civilians, including 5 Americans were killed. The US asserted direct Libya involvement. As a result, in January, 1986, all trade with Libya was banned and its assets in the US frozen.

Even more serious was the April 1986 bomb explosion in a West Berlin night club, injuring 204 people and killing three, including two US army sergeants. The US accused Libya and on April 15, US aircraft bombed targets in Libya, killing a number of people, including Qadhdhafi's infant daughter.[14]

Current US policy toward Libya centers on the same two issues as it does for Iran: terrorism and acquisition of WMD. On December 21, 1988, a Pan Am jet exploded over Lockerbie, killing all 244 passengers, 15 crew, and 11 more people on the ground. The US indicted two Libyan intelligence officers, and has taken the lead in securing three UN resolutions on these bombings. (France also wants to try these two men and four others for the explosion of a French UTA aircraft, over Niger in 1989 that killed 171.) They call for surrender of the two Libyans for trial in the US and UK, cooperation with the US, Britain and France in investigating the Pan Am and UTA bombings, severing ties to terrorism, and compensation for the victims families. Until they are delivered to a British or US court, UN sanctions impose a ban on flights to and from Libya, an embargo on military equipment and support, and a limited assets freeze. However, other Western states have been unwilling to join the US in an economic blockade on Libya, mainly because of their economic dependence on Libya. Libya supplies some 51% of Italy's energy needs; 13% of Germany's, and 5% of France's. [15]Thus far, Libya has refused compliance while suggesting alternative solutions.

The second motive behind US policy is to curtail Libya's WMD effort. In March 1990, the US and Germany accused Libya of building a CW center at Rabta, (subsequently destroyed by fire) and in February, 1993, the US said Libya was building another one at Tarhunah. The latter is due for completion in 1997 or 1998. Libya is also attempting to secure a nuclear weapon. In a statement in April 1996, Secretary of Defense, William Perry, implied, in a public statement, that the US would consider military action to remove the Tarhunah facility. [16] Among the US sanctions on Libya are those that ban transference of voncentional weapons and an embargo on chemical and biological exports. The US would like to expand and tighten sanctions against Libya and to get more cooperation from Europeans on this. The US has a small, but very vocal domestic lobby interested in this case in the form of victims' families. These have organized and succeeded in keeping the issue alive. At the time the D'Amato legislation was being passed, this group successfully lobbied the Senate to include Libya in the bill sanctioning foreign companies.

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[14]   Clyde Mark, "Libya". CRS Issue Brief. (CRS, Washington, C) November 1, 1996. pp. 4-5; Erin Day, Op.Cit.; George Jaffe, "Libya", unpublished paper for conference, The Politics of Sanctions, RIIA, London, November, 1995.

[15]   Joffe, Op. Cit. p.3.

[16]   Mark, Op.Cit., p.4.

In August, 1996, Congress passed legislation to apply selected sanctions against countries investing more than $40 million in the Libyan oil and gas industries. Since the UN has already sanctioned Libya, the US law is less likely to be breached than that in Iran. There has been no evidence of willingness by Libya to deliver the indicted men to the US or Britain; hence there is little expectation of any US relinquishment of sanctions on Libya soon.

Sudan

In Sudan, US sanctions are relatively recent, although relations have been on a downward trend for some time. Sudan was once the largest sub-Saharan recipient of US aid, but it now receives only US humanitarian assistance. Other aid has been terminated for several reasons: Sudan's arrearages on its debt; its links to terrorist activities; its on-going civil war; its human rights violations, and deepening disagreement over political philosophy.[17] The chief cause for the imposition of the recent sanctions has been Sudan's support for terrorism. After an 180 day review, the State Department announced in August, 1993, that it was placing Sudan on the list of countries sponsoring terrorism. The US claims Sudan has been allowing its country to be used as a sanctuary for terrorists, including Abu Nidal, Hamas, Hizballah, the PIJ, and the Egyptian Islamic Group. A member of Sudan's mission to the UN was named as an intermediary in the conspiracy trial of Shaikh Omar Abd al-Rahman in New York for plotting to blow up the UN headquarters and other facilities in New York, and was expelled. The US is most concerned about Sudan's support for attempts to destabilize Egypt and to spread radical Islam across borders. In June 1995 an attempt to assassinate President Husni Mubarak in Ethiopia resulted in the perpetrators fleeing to Sudan. Sudan has denied any involvement in that episode but it supports and harbors the violent Islamic Group responsible for the act.

Although US officials claim that US policy is to "isolate, pressure and contain Sudan and to compel it to modify its behavior,"[18] a recent press report claims that the US is about to send military aid to three African countries attempting to overthrow the Sudanese regime. All three support Sudanese groups operating in the south in the continuing civil war. The US government has denied this aim, claiming that the military equipment is to assist the three countries in countering Sudanese sponsored aggression. The government of Sudan is providing direct support to Eritrean and Ugandan opposition movements: the Eritrean Islamic Jihad and the Ugandan West Nil Bank Front and the Lord's Resistance Army. Sudan also provides haven for some Ethiopian and Egyptian opposition groups.[19]

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[17] Susan Epstein, "Sudan: Civil War, Famine, and Islamic Fundamentalism". (CRS Issue Brief). (CRS, Washington, DC) April 25, 1995, p.1.

[18] David Ottoway, Op.Cit.

[19] African Bureau, Department of State, Press Guidance, November 12, 1996.

and regime replacement is not only desirable, but feasible. While they have not yet been able to achieve their goal in Baghdad, they act as a bar against any change of policy that might appear "soft on Saddam".

On the Iranian front, the People's Mujahidin play a similar role. They mount a daily public relations campaign that focusses on Iran's human rights record, its terrorism, its WMD acquisitions, and other themes likely to resonate in policy circles. Its aim is to encourage a tougher policy toward Iran. This group has supporters in Congress but none in the State Department which does not recognize them because of past terrorist activities.

While not all of the aims and goals of these groups are accepted by US policy makers, they help shape the US perception of the domestic environment in the countries in question and thus the US assessment of the regimes and the threat they pose. They can have a subtle, but profound, influence on policy.

This legislation has also been affected by a new domestic interest group, that of the victims of terrorism. The most potent group has been organized by the Pan Am families who have been effective in lobbying for sanctions on Libya. They reportedly saw to it that Libya was added to D'Amato's legislation on Iran. They are able to be more effective because the terrorist issue has achieved an increasingly higher profile in the US in the wake of the World Trade Center bombing in New York, and the Federal Building bombing in Oklahoma City. These incidents, until recently very rare in the U.S., have created rising public concern and stronger support for doing something about it.

Some Middle East allies have also been effective supporters of sanctions. Not surprisingly, the front-line states of Kuwait and Saudi Arabia are strong supporters of continued restrictions on Iraq. There are also advocates of a stronger policy toward Iran, particularly allies who fear subversion and are interested in deflecting attention from domestic opposition. These include Saudi Arabia, Bahrain and more recently Egypt. But regional allies are also ambivalent about the measures to be taken against neighbors with whom they have to live. A classic example is Egypt, whose support for legislation against Sudan is lukewarm. Few support destabilization policies precisely because the effects could spill over into their backyards, and they fear a backlash from the countries involved, should such attempts fail.

New Political Actors and a New Political Style

More intangible domestic factors may also have a bearing--indirectly--on the increased resort to sanctions and punitive measures. One is the emergence in Washington of a new generation of politicians with different backgrounds and a different outlook than its predecessors. The White House until just recently has had a President in his 40s (until just recently) and staffers ranging in age from 20 to 40. In Congress, 70 percent of the new entrants in the last Congress were in their 30s and 40s. Many of the movers and shakers in the new group come from the midwest and south; in short, from the American heartland. Few hail from the East or West

As a result of being placed on the terrorist list, Sudan cannot receive development or military assistance or loans. This is a moot point since the US has ceased supplying aid since 1991, and since November, 1992 there has been a ban on US commercial exports to Sudan. Once on the terrorist list, it is very difficult to get off. Recent actions toward Sudan indicate the US may be taking a tougher, not a softer line.

Sanctions and the Role of the Domestic US Environment

In addition to these foreign policy issues, domestic factors drive US sanctions policy, perhaps increasingly so. Some of the difference between the European approach and the American can be attributed to differences in political style, philosophy of government and even institutional arrangements, as well as the emergence of new political actors in Washington. But more is to be attributed to public opinion, particularly as it is crystallized by organized interest groups.

Satisfaction of Domestic Interests Groups

Domestic interest groups have played some role in encouraging sanctions legislation in all four cases. Compared to Europe their influence is probably greater in the US system, with power diffused between the executive and legislative branches (and increasingly shifting to the latter); with increased influence of the media on policy and greater availability of access to it; and with a shift of power from government to non-governmental actions, such as NGOs and human rights groups. Among the most important of these have been groups supporting Middle Eastern governments or opposition groups. The most effective, of course, has been the Israeli lobby, which has, increasingly, focussed on the threat from Islamic fundamentalism, a thread that runs through much of the fear of terrorism. Their influence has been strongest on Iranian legislation, especially the D'Amato bill, but they have also supported sanctions on Iraq, Libya and Sudan. Their support for sanctions on Iran hinges largely on Iran's support for Palestinian terrorist groups operating inside Israel, and for Hizballah in Lebanon. Since these groups have been active in attempting to derail the US sponsored peace process, these interests strongly coincide with those of the US. Second, Israel fears nuclear rivals in the region. With Iraq under strict international controls, Iran now poses the most serious long term WMD threat to Israel. Hence, the Israeli lobby's push to contain Iran.

Other domestic interest groups have played a role in supporting sanctions policy. Chief among these are Iraqi exile oppositionists dedicated to the replacement of Saddam's regime. They have stressed the need for democracy and pluralism in Iraq, a theme that strike a responsive chord in Congress and in some sections of the administration. The Kurdish parties, until they began fighting recently, have also been effective in reaching Congress, the media and official circles with a similar message. NGOs and human rights groups have also played a significant role in keeping Iraq's appalling human rights record before the public. These groups have convinced some, but by no means all, in the foreign policy establishment that destabilization

coast, the intellectual base of the traditional foreign policy establishment. Lastly, few had had any experience in foreign affairs before coming to Washington. While the Clinton administration has in its midst some strong activists, willing to intervene abroad for humanitarian and other goals, (and some of the most important of these are now part of the top security team) for the most part they have had to take second place to those busy reforming the domestic political and economic structure, priorities that perfectly coincide with the mood of the public. As a result, neither Congress nor the administration has devoted much time or attention to laboring in the diplomatic vineyards. Indeed, the State Department must spend an inordinate amount of its time, not on foreign affairs, but cultivating Congress, lest its budget, its projects, even parts of its organization, disappear. Congressional budget cuts have slashed foreign aid; overseas missions and the US contribution to the UN, undercutting US diplomatic instruments.

The politics of engagement and dialogue espoused by Europeans requires just such diplomatic tools and talents. The hard work of creating change through persuasion, contact and diplomacy appears to have little appeal to the new political elite, which sometimes shows a proclivity for wielding power without the effort of exerting influence. Any number of political commentators have noted these traits and their impact on diplomacy. A former NSC director has written: "American foreign policy has not only become passive and diminished, but also has become more narrow minded, short sighted and increasingly, go-it-alone....In common with isolationism, however, the new unilateralism reflects an unwillingness to do the hard work of exercising leadership, and an urge not merely to share, but to shed its burdens....The new unilateralism underlies a foreign policy approach which holds that we will deal with the world when we must, but only in our own way, in our time, and on our own terms." [20] Such a mindset is more likely to favor coercive diplomacy rather than long term engagement, sanctions than dialogue.

Washington, with its nearly constant political campaigns, is also increasingly vulnerable to the short term perspective. The European claim that the best route to a change in behavior is economic development and the emergence of a middle class with an economic stake in the West, is too long term a perspective. Sanctions appear to be a quicker "fix" for the new political elite and the Washington electoral cycle. If they do not generate immediate change, at least they "contain" the situation. They may be easy to invoke. They can sometimes be advanced by executive order without much consultation with Congress, or by invoking already existing legislation. They are ideal for appeasing local constituencies; expressing outrage and frustration, and showing "leadership". It is noteworthy that, in a press briefing prepared by Secretary of State Christopher to explain the President's 1995 executive order on Iran, his final words were: "The reason the President took this decision was because it enables

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[20] Brent Scowcroft and Arnold Kanter, "The Perils of Going It Alone", Washington Post,

him to project American leadership. This is all about American leadership....I hope other countries will respond to that leadership...." [21]

While sanctions can be and sometimes are an effective diplomatic tool, their imposition needs to be more carefully considered and their effectiveness better measured.

The Future of Sanctions in Washington

Given these generalizations about the domestic environment in which sanctions appear to be flourishing, what are the prospects for a reconsideration of the various sanctions regimes under discussion in the near future?

Some factors are driving events in this direction. First, the costs of the sanctions, and the entire "dual containment" policy, including those connected with the US military presence in the Gulf, are giving some policy makers pause. Among these costs must be counted the erosion of Allied support, especially over the secondary boycott on Iran. In the region, as well, sanctions on Iraq are losing support in some GCC states, in part for humanitarian reasons, and in part for fear that a weakened Iraq might collapse. And the loss of markets has raised angst among oil companies, where the CONCOCO case has left a bitter taste. Second, some are questioning the efficacy of sanctions. If acceptable changes of behavior do not occur in the target states and costs continue to mount, pressures for a review of policy may increase.

But this said, without such changes, revision of sanctions regimes is likely to be an uphill battle. Proponents of sanctions point to some important achievements. While sanctions have not yet changed regimes, they have contributed, possibly substantially, to weakening the military potential of the states on which they have been imposed. Iraq is gradually, though not completely, complying with WMD provisions and its military capacity is gradually eroding. A lifting of sanctions would enable Saddam to build back his military and possibly to acquire BCW sooner than anticipated. In Iran, the chief benefit of sanctions has been to curtail large purchases of arms and possibly to delay WMD programs. In Libya sanctions have thus far failed to produce the two culprits in the Lockerbie bombing, but they appear to have curbed Qadhhafi's appetite for adventurism. In Sudan, recent sanctions have not been in effect long enough to measure their efficacy.

Hence, there is little evidence of a willingness to relinquish or dismantle sanctions regimes now in force unless there are major changes of behavior in the target states, none of which appears likely. In fact, in some US circles, fear of sanctions erosion is so strong that some are advocating more serious punitive measures in Iraq before sanctions fade away. The target countries themselves could well take actions that could cause Washington to escalate the

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[21]   Warren Christopher, Press Briefing on the President's Executive Order, Department of State, May 1, 1995.

pressure, rather than diffuse it. If a direct involvement of Iran is discovered in the Dhahran bombing, military action could well occur. The same outcome is likely if Saddam missteps, for example, by expelling or refusing to cooperate with UNSCOM monitors. Further evidence of CW at the Tarhunah facility in Libya could prove to be a flashpoint as well.

Failing such obvious provocations, however, it is more likely that the US will seek ways to modify sanctions regimes in place, in order to sustain them, at least in the case of Iraq. This will include gaining broader acceptance from allies and reducing or spreading costs. The US may also consider adding a carrot without removing the stick. Suggestions of a dialogue with Iran could be taken seriously, if the Iranians are interested. In the case of Iraq, accommodation of humanitarian concerns is already underway in the form of resolution 986. With respect to the legislation on foreign companies, a lenient application of the law may be one way to ease the situation here, but this will require movement by Europeans to accommodate at least some of the U.S. concerns on Iran.

These suggested shifts do not add up to a change of policy or a "rethinking" of sanctions, but are rather a search for ways to make sanctions more sustainable and less costly to the US. It may be that sanctions will come to be seen less as a means of changing behavior--or regimes-- than as a long term containment policy. Such a policy would put US security concerns front and center, and focus on an area where sanctions appear to have been most effective-- constraining military buildups and the proliferation of WMD. If so, some form of sanctions on these four countries may be around for a long time to come.

Policy-Recommendations

1. A stated aim of the conference deliberations was to determine how the so-called pariah states could be reintegrated into the international community. From the U.S. point of view, the issue is not reintegration, but a change of behavior. While eventual reintegration is desirable, this should follow changed behavior, rather than preceding it. Reintegration without such a change, or serious indications of change, will not solve the problem for which sanctions have been instituted. Rather it can send the wrong signal; namely that no behavior change is necessary to earn reintegration.

Iraq provides a good example. Iraq was given significant help by the international community during the Iran-Iraq war, despite serious misbehavior (use of chemical weapons on Iran/ its own population; serious human rights violations). Its reintegration did not deter Iraq from invading Kuwait. Rather, Iraq appears to have drawn the conclusion that no serious price would be exacted by the international community for violating international norms. Currently, European attempts at partial reintegration of Iran (critical dialogue; trade and investment) do not appear to have produced the changes in behavior sought by both Europe and the U.S. (The same criticism may be made for isolation and sanctions, but sanctions have often been

undercut by European policies, and so have not worked well). The main point is that there has, thus far, been insufficient change of behavior, in the U.S. view, to justify integrative policies.

2. The dichotomy between sanctions and dialogue is probably misplaced. In each of the four states under consideration, more nuanced positions may need to be taken. Each differs in terms of domestic political dynamics and accessibility to change. In the U.S. view, the regimes in Iraq and Libya are the least amenable to change. In the near term (two to five years), the best that can probably be achieved in these two cases is an international regime that constrains and deters the objectionable behavior, while inflicting the least damage on the population as a whole. Restraints on trade will have to be part of any containment policy. Iran and Sudan have more potential to change. (This judgment may need modification in the case of Iran depending on the outcome of investigations of the Dhahran bombing and the Mykonos trial). In these cases, the U.S. and the EU may need to put more emphasis on the context in which change could take place within these societies, and a mix of policy instruments. Better results may be achieved by a judicious and flexible application of both positive instruments (the potential for reintegration/ economic benefits) with constraints (sanctions) aimed at specific behavior changes over time. In short, one size does not fit all.

3. Sanctions have produced some benefits and can be a useful international tool. In Iraq, where they are most effective, they have contributed to such compliance with UNSC resolutions as has taken place, an unlikely outcome without sanctions. However, far more effort must be devoted to fine tuning sanctions so that they become a more effective instrument of diplomacy. Too often sanctions are used either because they offer a convenient means of avoiding more costly alternatives (military action) or to make a point to a domestic or international constituency (D'Amato legislation). Sanctions regimes should be designed, 1) to affect the target regime, not the populace; 2) to minimize damage to neighbors and other trading partners; and 3) to best effect the changes desired over time, rather than stiffening resistance and increasing support for objectionable regimes.

4. The dispute between the U.S. and Europe over sanctions vs. dialogue needs urgent attention. If there is to be a critical dialogue, it should first be undertaken by the U.S. and its G-7 allies. As long as this dispute is open and obvious, all four countries will use the divergence to play one side off against the other and avoid the changes sought. This is most critical with respect to Iran. There is a consensus emerging in the U.S. that this is not an issue which should split the alliance; compromise is not only desirable but achievable. An influential body of U.S. opinion is interested in a dialogue with EU that would aim at putting some "teeth" in the critical dialogue with Iran, but agreeing on a set of behavioral benchmarks by which to measure change (e.g. reduction in financial support to Hizballah/ substantial reduction in anti-Israel rhetoric, etc.). Further economic benefits (loans/trade) could be made contingent on measureable, if quiet, changes. Such changes could well influence U.S. application of the D'Amato legislation. A common G-7 statement on goals vis a vis Iran

would help close this gap. A similar discourse could take place with respect to Iraq and Libya. Sanctions on Sudan are not likely to go much further than the current rather weak constraints.

5. In Iraq, at present writing, it does not seem likely that the U.S. will vote for a complete removal of sanctions, including the oil embargo, as long as the current leadership is in power. UNSCR 986 represents the U.S. view on how to ease sanctions. It is conceivable that, over time, 986 can be expanded to provide more goods and services to the population and to help reconstruct Iraq's civil society and infrastructure, but the U.S. is likely to insist on continued international controls on the expenditure and distribution of the funds. In Iraq, this control regime needs to be constantly fine tuned, first, to prevent the regime from misusing funds for military purposes, and second, to support rehabilitation of the population. Dual use restrictions and monitoring of military imports may need to be tightened as oil exports grow. At the same time, the isolation of Iraq's population needs to be eased and contact made with its middle class, so that, when the current regime does pass from the scene, the Iraqi polity will be better able to field a replacement. A critical dialogue with the population could include outside contacts with academics and opinion leaders; a visa policy which supports such contacts; more monitors and NGOs inside Iraq, and more media access for Iraqis. It is recognized that such a policy is extremely difficult to achieve under Iraq's repressive system, but it could be made the touchstone for increased easing of sanctions. For each increment in oil exports demanded by Iraq, a corresponding quid pro quo could include a) tighter controls over WMD monitoring and expenditure on military goods and b) an opening to the outside for the population. Such a policy should be the subject of mutual agreement by the Europeans and the U.S., to include deterrent steps (including military reprisals) to be taken in the event of infringement on WMD monitoring, and future threshholds in opening Iraqi society.

6. The feasibility of an international regime, building on the Barcelona process, that would encourage and monitor behavior changes on the part of all four regimes should be discussed by the U.S., Europe and their regional partners. In the U.S. view, it is too early--and would be counter productive--to include any of the four as yet in such a regime. However, the U.S. and the membership of the Barcelona group could add a security dimension to on-going discussions. Regional powers may be in a better position than the U.S. or Europe to engage the four regimes and/or their populations in an effort to change their outlook and behavior. The first purpose of such a structure might be a dialogue with all four regimes on avoiding unintended and accidental military clashes. (This is especially important in the case of Iran and possibly even Iraq). Such communications could, in time, be broadened to include other CBMs, and might be expanded to incorporate a broader agenda for changing behavior. It should be recalled that the CSCE began as a communications framework among hostile, not friendly, powers in Europe.

Working Paper

SANCTIONS AND THE CRITICAL DIALOGUE IN INTERNATIONAL RELATIONS - THE ROLE OF THE UNITED NATIONS RECONSIDERED

Mohamed Bashir Hamid

The Middle East peace process and the Mediterranean initiative of the European Union have been an incentive for the Bertelsmann Foundation, Gütersloh, Germany, and the Research Group on European Affairs at the Center for Applied Policy Research, University of Munich, to involve themselves intensively with the future of the relationships between the regions south and north of the Mediterranean. The partners co-operated in 1994 to institute the project 'Europe and the Middle East', thereby completing their involvement with various European problems. The project aims to mediate between the two regions, providing concepts facilitating the development of more intensive relationships. At the same time the project is an attempt to build bridges between political theory and practice. In order to formulate constructive policies for the development of intensified transregional relations, the world of politics should make use of academic approaches and concepts. On the other side, academics of political science benefit from contact with practical application.

The basis for the project are the annual 'Kronberg Middle East Talks', at which representatives from science, economics and politics exchange ideas on current topics of Euro-Mediterranean relations. These conferences are prepared by a cycle of workshops, which deal with questions related to international security, economic development and the governmental and social transformation of the region.

Mohamed B. Hamid, former Chairman of Political Science at the University of Khartoum (1987- 1991), and Minister of Culture and Information in the Transitional Government of the Sudan (1985- 1986), was a Fellow of the Woodrow Wilson International Center for Scholars (1992-1993). He is at present serving as an observer with the UN Inter-Agency Humanitarian Programme in Iraq.

Abstract

The post-Cold War period has seen the emergence of a number of approaches that seek to reexamine some of the strategies for international security and organization in the light of the

transformations taking place in the international system.[1] The renewed focus on a dialogue approach can be seen as reaction to the increased multilateral and unilateral recourse to the sanctions regime. But while sanctions raise difficult questions in terms of practical application as well as of tensions with humanitarian concerns, the European critical dialogue is conceptually vague to the point of abstraction. The experience of economic sanctions demonstrates the need, first, to balance the humanitarian implications of sanctions with their expected political gains and, second, to avoid obscuring their explicit political goals with implicit agenda. Since there is no consensus on an alternative to economic sanctions, the challenge is how to refine them to reduce their negative impacts. In this context, the dialogue approach can come into play as a complement of, rather than a counterpoint to, the sanctions approach. The goal should be not to inflict collective punishment but to signal international censure in a process of gradual and limited application that places more premium on incentives than on coercion. Such a combined sanctions- and dialogue approach might more readily bring about the desired changes of behavior by reinforcing a recognition of mutual interests in observing international norms and in reintegrating the sanctioned state. This international reintegration, in turn, might encourage a similar process of internal reintegration. But just as the sanctions approach needs to be precisely clear in determining its target and goals, a dialogue policy should be unambiguous in defining its means and objectives. The focus of this dual process must be on its multilateral and not unilateral application. The United Nations constitutes a comprehensive forum that facilitates both dialogue and sanctions and provides the legitimating authority to endow the combined approach with political and moral force. But the tensions arising from new power realities and relations can no longer be effectively contained by Cold War security arrangements. For the international community to meet these challenges, the United Nations has to be reformed to make it more democratic and representative and more effective in transmitting its constitutive norms. The process of restructuring the emergent power relations of the new international order would likely be less disruptive if it is placed within the context of reforming the UN system.

Introduction

Since the end of the Cold War, a number of approaches have emerged which, while differing in emphasis and often in direction, have in common the purpose of strengthening international peace and security. These approaches have ranged from renewed interest in making the United Nations a more effective, responsive, and representative security system through a process of incremental and/or radical change (an enhanced Security Council, restricted or abolished veto power, a standing UN rapid reaction force), to renewed focusing on fostering state, regional and global security through the articulation and transmission of UN constitutive norms (selfdetermination, sovereignty, noninterference, human rights and democratization processes). A wide variety of interrelated, though sometimes conflicting, agenda is thus involved. It includes redefining the meaning and the merits of collective security (from peacekeeping to peace enforcement); rescheduling the priories of security issues (from inter-state to intra-state conflicts); and rethinking the concept of international community itself (from the traditional model of sovereign-states-in-interaction to one inclusive ofa global civil society).

At the same time and on a different but related level, there is an emerging debate on the implications of the increasing resort to multilateral and unilateral sanctions and, specifically, on the tensions and possible contradictions in the interaction of economic sanctions and humanitarian action. These concerns touch on such basic issues ofthe sanctions regime as the differential effects of various types of sanctions; current humanitarian exemption procedures and cushioning measures (for both affected civilian population in the target state and the neighboring countries); and, more fundamentally, the expected degree ofthe target state's compliance.

The purpose of this paper is to attempt to inject the dialogue-versus-sanctions debate into the larger framework of these approaches. The first section tries to place the operative terms of the debate in historical and conceptual perspective to assess more clearly their relation to other approaches and their relevance to the present international system. The second examines some of the emerging features of the post-Cold War setting and the resultant global transformations at the heart of the current debate. In the third section, some of the basic concerns related to the political and humanitarian aspects of sanctions are examined from the perspectives of both proponents and opponents ofthe sanctions regime. The fourth examines the proposals to reform the United Nations and the possibilities and implications of change. The conclusion sums up the main arguments and considers the case for an integrated sanctions-and dialogue approach within the multilateral context of a reformed UN system.

Sanctions and Dialogue: a Historical and Conceptual Perspective

Military and economic sanctions as instruments of international politics were embodied in the concept of collective security that defined the objectives and functions of the League of Nations and later of the United Nations. As it evolved at the beginning of this century, the concept was designed to replace the balance-of-power system that had characterized international relations from the end of the Napoleonic wars to the outbreak of the First World War. The emphasis in the balance-of power approach was all on equilibrium and national interest with competing and rival alliances constantly maneuvering for advantage. Although the system did not necessarily make for war, its mechanisms and machinations were such that, once war broke out, its scope was bound to be universal.

In its most basic, and rather simplistic form, the concept of collective security projects the idea of "all for one and one for all" into the international arena as the guiding principle in relations between nations: the operative factor being that aggression from whatever source would be met by the immediate and overwhelming response of the international community acting as one. As in the balance system, the underlying principle is one of deterrence: the certainty of overpowering response would in itself discourage potential aggressors. But unlike the balance system where alliance relations are based on the expectation of confrontation and come into play when conflict occurs, the *application* of collective security, in the classical meaning of the concept, is actually an indication of system failure in the sense that deterrence, its *raison d'etre,* has collapsed.

In theory, collective security presupposes not only a universality of membership but a certain measure of equitable distribution of the power resources, of one kind or another, among member states. Arms reduction and economic interdependency are thus important instruments in the operation of the system, in contrast to the arms race and trade wars inherent in balance-of-power relations. Similarly, a situation in which the "one" becomes less vulnerable than the "all" defines a system of imperial hegemony and not a collective security one. The concept also raises some difficult questions in relation to its application in practice. What constitutes an act of aggression and who defines it? How to distirtgttish between aggressive and self defensive actions? Is the target of retaliation an individual leader, the government in place, the military and security establishments, the political party in power, the ruling class, the whole population, or all or any combination of these? When and where are the lines drawn in countering or punishing the aggressor?

If the answer to these questions still remains elusive (from the Arab-Israeli wars to the recent Gulf contlicts), they have become even more intractable in the case of economic sanctions (from the Italo-Ethiopian crisis of 1935 to the Helms-Burton and D'Amato acts). Indeed, much of the confusion about the applications of economic sanctions arises from introducing

instruments that can neither be collective nor conducive to security and that seem to fly in the face of the very concept of collective security itself As tools of international pressure that fall between diplomacy and armed force, economic sanctions aim to "achieve political ends at limited risk to those imposing the measures and without the wastage of active conflict."[1] Yet, in practice sanctions often tend to become open-ended processes with less tangible political impact, and sometimes greater wastage, than military action.

The bipolar system of the Cold War period was a curious combination of the deterrence theory in both the *selective* security arrangements of an alliance system based on the nuclear balance of terror, and the *collective* security system of an international organization based on the *de jure* equality of nations. The principal instruments of this international system were, and still remain, preventive diplomacy, peacekeeping and the use of sanctions. The *de facto* recognition of the power dictum that some nations are more equal than others, dictated that veto power be invested in the five permanent members of the Security Council, and the application (or non-application) of collective security measures often reflected the convergence of superpower interests in containing rather than resolving conflict situations.

Paradoxically, this convergence of interests, underlined by the *sanctions* of nuclear deterrence doctrine (the mutual ability to inflict unacceptable damage), was also reinforced by the *dialogue of* peaceful co-existence (the mutual acceptance of non-violent competition). The interplay of the two approaches had, more or less, preserved a troubled peace between the two superpowers for almost fifty years, but the confusions, uncertainties and complications arising from the end of the Cold War have served to underscore both the need and possibilities for fresh approaches.

The term critical dialogue has been dubbed, perhaps prematurely so, as Germany's new *Ostpolitik.* Although in its current usage the term may have originated with the German Foreign Minister Klaus Kinkel, (or possibly even further back with former Foreign Minister Hans-Dietrich Genscher's diplomatic initiative in the wake of the rupture of US-Iranian relations in 1979), the concept of dialogue as an instrument of policy is as old as diplomacy itself. In this century, the basic tenets of a dialogue policy - that maintaining relations with a country is always better than excluding it, and that 'active engagement' is often needed to bring about the desired changes in state behavior - had been at the center of foreign policy debates from the Munich agreements of 1938, through the controversy of sanctions on South Afiica in the last two decades, to the current uneasy US-Chinese relations. What, then, distinguishes critical dialogue from other traditional tools of diplomacy?

In general terms, the renewed emphasis on a dialogue approach can be seen as a counter, or alternative, policy to the increased reliance on the sanctions regime, particularly in its unilateral (and mostly American) manifestations. The distinguishing feature of the European Union policy, agreed at the Edinburgh summit in 1992, may be the introduction of the notion that a *dialogue* can be *critical* (perhaps in both senses of the word). But the word 'critical' is

ambiguous to the point of abstraction, if not outright distraction. Critical of who, over what, and by whom? Is the exchange between equal entities without the presumption of a superior standing of either side? Or is its purpose to reflect concerns about, and call for improvement in, certain aspects of one side's conduct (as in human rights, terrorism, the Middle East peace process)? Is it about fostering mutual understanding, confidence-building and friendly persuasion? Or does the ultimate *sanction* still remain one of implied or perceived threats? Is the dialogue an intellectual intercourse between rival claims to universal values and/or cultural uniqueness? Or is it a fig-leaf covering the naked pursuit of political and commercial interests in a regional power deemed too *critical to* ignore? Should the interaction be confined to those in leadership positions (the government, foreign service, and military and intelligence establishments)? Or should it include civil society at large (opposition groups, and professional and trade unions,)? In either case, how deep and broad should the dialogue be, and what would be the dividing line between acceptable action to influence conduct and unwarranted interference in domestic affairs?

The ambiguity of the critical dialogue concept is reflected in differing European perceptions of its value. Following the suicide bombings in Israel in March 1996 and renewed American pressures for tougher action against Teheran, the smaller EU members, such as Denmark, Luxembourg and Finland were reported to favor abandoning the critical dialogue if it fails to produce changes in Iranian behavior, while Germany, France and Italy were for maintaining it. The British, as usual, hugged the middle ground ("at the doubtful end of the spectrum when it comes to the value of such a critical dialogue", as Foreign Secretary Malcolm Rifkind rather convolutely put it)[2] which they argued would "preserve their ability to moderate the behavior of the other Europeans."[3]

To the Americans the whole notion of the critical dialogue was anathema as long as Iran, and other alleged sponsors of international terrorism, continued their revolutionary efforts to destabilize the international order. The American approach sought the isolation of these so-called 'pariah states' as the only effective means to induce them to discard their ideologically extremist baggage. The view from Washington was that the dialogue approach has largely served to widen the transatlantic gap by allowing the Iranians to try to drive a wedge between the Americans and the Europeans. (As one American source bluntly put it: "the critical dialogue is the carrot. Iran just takes the carrot and eats it. Unless you have a stick you are not going to get anywhere.")[4]

Aside from friction with the United States, a major problem of the European critical dialogue approach is whether it is more about *dialogue* or about *criticism.* The difficulty to distinguish or balance the two aspects may have blurred any meaningful understanding of the term. This confusion was manifested during the tension in German-Iranian relations over the so-called 'Mykonos case' in November 1996, when German prosecutors accused the Iranian leadership of ordering the 1992 assassination in Berlin of four Iranian Kurdish leaders. On the one hand,

angry demonstrators besieged the German embassy in Teheran (in scenes ominously reminiscent of the events that led to the Iranian takeover of the US embassy in 1979), and Iranian clerics threatened the German prosecutors of the case with a 'Rushdie-style 'fatrva. On the other hand, the champion of the critical dialogue, Foreign Miruster Kinkel, conceded in the face of domestic criticism that the term had taken on an exaggerated "symbolic value", and suggested that "an active policy of influence" and not a "critical dialogue" was needed to improve relations between the two countries![5]

But the German government insisted that the basic assumptions underlying the dialogue policy still applied and would not be abandoned. So far the policy has survived the crisis; by keeping the lines of communications open, the two sides were able to diffuse the tensions, at least momentarily. It is also significant that Iranian President Rafsanjani acknowledged that the German government and the Berlin court had "two separate accounts", and reminded his people that the "Satanic elements" in the US and Israel were hard at work to "turn our cooperation with Gernzany into a dispute."[6]

Thus, ironically, some genuine tension may be just what the critical dialogue requires to acquire some definitive meaning in the long run.

The Post-Cold War Setting

The end of the Cold War has brought in its wake tremendous transformations in the international order, resurrecting old problems and posing new threats that require redefining collective security. The disintegration of the countervailing force of the Soviet Uruon has created a unipolar world with the United States as the only superpower with the capacity to project its power in every part of the globe. Many of the manifestations of this Pax *Americana,* particularly the hard-line stance on sanctions, has been the source of increasing international disquiet even among America's allies. This tendency has reinforced a re-emerging anti-Americanism globally which, in turn, might fuel latent American isolationism internally. Kissinger observes that "world leadership may be inherent in America's power and values, but it does not include the privilege of pretending that America is doing other nations a kindness by associating with them, or that it has a limitless capacity to impose it will by withholding its favors."' An American-led international security system is only workable and acceptable as long as American short-term interests coincide with the interests of the international community, or as long as the former can be subordinated in some way to the overriding concerns of the latter. Given the realities of the post-Cold War period, this is unlikely to be the case.

Furthermore, although the landscape of the new international order (some have already labelled it 'disorder') still remains blurred and uncharted, some of its emerging features can be discerned.

The first is the transformation of the old West-East ideological division into a new North-South economic divide. The mounting frustrations of state powerlessness in dealing with development problems in the South has undermined state stability and the security of the regional and international order. Yet the development models being pushed on the 'poor' South by the 'rich' North have in many cases exacerbated existing social and economic problems. Michael Oliver notes that "the mindset that frames conventional thought on development problems is not *common* development. Rather, development is approached through the *market,* with its stress on unfettered competition, and through aid, with its overtones of benevolence and dependency".[8] The questions raised by the development crunch in the South, including the uneasy and unpredictable Western relations with the emerging power of China, constitute areas of existing and potential conflict in which the issues of sanctions and trade embargoes are likely to occur with greater frequency.

The second and related feature is the reemergence of a new generation of multi-faceted conflicts (ethnic, religious, economic, territorial) that pose a different type of security threat. Accordingly, the emphasis has shifted from peace-keeping to peace-making (with the occasional 'mission-creep' into state-building as in the case of Somalia) in which primary and secondary goals are sometimes conflicting and mostly ineffective in stabilizing local or regional turmoil. In many cases, sanctions have supplemented other enforcement measures to bring about the desired political results (Bosnia, Haiti), in others they have been gradually or partially imposed to send a political message or force compliance with specific demands (Libya, Sudan), and in some, the "goal posts" have been moved to reflect evolving political agenda (Iraq).

Thirdly, a striking feature of the post-Cold War period is not only the greater frequency with which military and economic sanctions are being imposed but the greater regularity with which the initiating states (notably the United States) have been careful to seek the United Nations' stamp of authority and approval. This can be seen as a manifestation of two ultimately irreconcilable trends: on the one hand, the creeping political co-option of the international organization by the one remaining superpower; and, on the other, the growing need of that superpower to preserve the legitimacy (legal, moral and political) which only the international organization can claim and impart. As Michael Barnett notes, "while states will continue to act unilaterally when their national interests are at stake, changing definitions of security, growing interdependence, and expanded community boundaries are causing the military actions of many states to be legitimated not only by their citizens but also by the international community. "[9]

Fourthly, the West European countries (as well as Japan) are becoming more aggressive in pursuing their economic self interests as the need for the American security umbrella becomes less compelling and the mutuality of interests with the United States becomes less pronounced. The end of the Cold War has raised doubts about the future of the Atlantic

Alliance; the current moves to expand NATO to include Eastern Europe and the successor states of the Soviet Union, would mean in effect the creation of an all-together different kind of security organization. What form that organization would take, and how Russia would fit in, or react to, this scheme of things is not clear, but much would depend on political and economic developments within Russia and on the nature of its future relations with the 'near abroad'. Germany is likely to push more assertively to translate its economic and potential military power into political influence.

It is conceivable that the current American-led unipolar order may evolve into a more complex multipolar system anchored on the so-called 'triad states' (Germany, Japan, and the United States), in a triangular relationship in which factors of economics and geopolitics would become sources of intra-regional cohesion as well as inter-regional conflict. The potential for tension between the United States and its two former 'enemy states', largely underappreciated and long overshadowed by the Soviet communist threat, has in fact been manifest even before that threat was finally removed. Whatever form the relations between the triad states eventually takes, it is evident that the security arrangements and international institutions of the Cold War period would no longer be adequate to contain the reemerging tensions of the new/old power realities.

Sanctions: the Political and Humanitarian Implications

In current policy research a number of projects have sought to analyze and determine the type of tensions or contradictions involved in the interaction of economic sanctions and humanitarian action. Sanctions issues are seen from different perspectives by initiating states seeking to enforce compliance, by humanitarian organizations concerned with relief assistance, and by besieged leaders and suffering populations in target countries. The political agenda which inform these differing perspectives has given the debate on the actual impact of sanctions some partisan overtones. From a research perspective, therefore, it may be difficult to assess with a plausible measure of accuracy the effects of sanctions without a careful review, on a case-study basis, of the historical and empirical evidence. One policy research observes that, "increased understanding of political and economic contextual factors such as how the sanctioned state sees its choices will enable better judgements about when sanctions are likely to become more effective in fulfilling their stated objectives or, by contrast, whether the rationalization of short-term civilian pain in exchange for longer-term political gain is likely to prove unsustainable."[10]

This approach raises a number of questions which are relevant to the dialogue-versus-sanctions debate. These concern the extent to which sanctions should take into account the existence and views of domestic opposition groups; whether recent experience has shown that the achievement of stated objectives has been followed by the reintegration of the sanctioned state; whether the sanctioned authorities should be rewarded when they take steps to protect

vulnerable groups; and how, given the fact that sanctions are now imposed by a Security Council often criticized as insuffciently representative, ways might be found to broaden the legitimacy of multilateral sanctions decisions.[11]

While these issues reflect growing concerns over the implications of the increased application of sanctions, there is not yet a consensus on a common strategy on how, when, and why sanctions can (or cannot) be used. The arguments for economic sanctions are based on the assumption that they are often imposed with an expressed rationale of avoiding the more inhumane military option and thus tend to reduce the overall levels of violence. Sanctions are also seen an *inclusive* strategy not *an exclusive* one, in the sense that participation in implementing them endows the international community with a sense of common purpose. "Collective participation by UN member states in the application of sanctions results in a shared practical involvement in an effort to force change in the behavior of the target group or state. That involvement reinforces the recognition of the long-term vested interest of the international community in the enforcement of its most important norms."[12]

Proponents argue that sanctions could be clean and effective, provided that they are implemented with precise objectives which are easier to achieve, and with demonstrations of multilateral unity and collective military capability to force the desired changes in conduct. It is presumed that careful monitoring and appropriate humanitarian aid would help reduce any ensuing civilian suffering, which is often attributed not to the impact of sanctions per se, but to the intransigence and manipulations of the target regime. It is also implicitly assumed that given the destructiveness of total military war, even total economic warfare becomes more morally acceptable; impoverishment is, after all, preferable to death.

Opponents of sanctions counter that the cost of sanctions in humanitarian terms contradicts their supposedly non-violent nature, and negates the value of any actual or possible political gains. According to the *World Disasters Report 1995* of the International Red Cross, "states imposing sanctions through the Security Council should be prepared to address the issue of proportionality. What degree of suffering can acceptably be inflicted on people to achieve certain political ends? What limit has to be reached before sanctions are eased? This is not to argue that sanctions should not be used, after all the alternatives of diplomacy may be ineffective and that of military action too drastic. Sanctions are a legitimate tool for the UN, but they must be used with due regard to their effect on the lives of those caught up in the middle of the dispute, just as war must be waged with due regard to the fate of the civilian population."[13]

The potency of sanctions is seen by many as being grossly overrated. The United States has applied its tremendous economic power against Cuba for 35 years, and against Iran for over 17 years, yet far from modifying the behavior of these states, their anti-American rhetoric and attitudes have actually hardened. Indeed, target regimes tend to become more entrenched and less willing to compromise. The collective punishment aspect of sanction is often used to

"provide governments with an external scapegoat for their own failings, serve as an excuse to repress political opposition and often ignite a popular will to resist... Sanctions are also a public affront, and target populations, even if they sympathize with the boycott's goal, will often resent the harm done and rally behind the offending policy or leadership." The moral justifications of sanctions (as worthy crusades against despotism, racism, terrorism, ethnic cleansing, drug trafficking, or aggression) become politically suspect when sanctions are applied inconsistently and selectively, or when they are used by policymakers as a substitute for inaction, or a means of appeasing national prestige or a domestic constituency. A related problem is that once launched, sanctions are difficult to lift and are more likely to bring a host of additional complications.'[14]

Some opponents question whether economic sanctions are needed at all as instruments of international policy. Donald Losman argues that, "when serious political tensions arise between countries, commerce naturally tend to diminish, a sort of market-imposed sanctions without the official slap-in-the-face. There is no government-to-government pressure, while at the same time the usual diplomatic efforts, harangues at the U.N. and quiet pressure can continue."[15] The isolation imposed by sanctions undermines the ability to influence through dialogue or subtle diplomatic leverage, and generates political and trade tensions between allies. Germany's trade partnership with Iran, and the Russian and French economic interests in Iraq, allow both sides some of the influence and maneuverability denied to the United States, much to the discomfiture of American diplomacy and the cost to American interests.

Paradoxically, the case of Iraq where sanctions have come nearer than in most other situations to fulfilling their proclaimed objectives, has become the *cause celebre* of the anti-sanctions movement. While measuring state responses and degree of compliance has become a controversial issue in the sanctions debate, one test is whether the Security Council itself believes its goals have been achieved. The evidence is that Iraq has complied with at least the letter of sanctions; it has recognized Kuwait and the UN Special Commission (UNSCOM) overseeing Iraq's disarmament, reported in 1994 fulfillment of most of its task and commended Iraq for its cooperation. (UNSCOM later reversed its position and accused Iraq of stalling over weapon inspections). Yet while the majority of the permanent members of the Security Council have inclined towards lifting the sanctions, the United States has persisted in resisting this move. The American hard-line stance might have, in turn, provoked the Iraqi troop movements on the borders with Kuwait in October 1994 and the incursion into the Kurdish area in northern Iraq in September 1996 - moves which precipitated new Gulf crises and prompted American military reactions but which, from an Iraqi perspective, could be seen as acts of political defiance, exasperation, or desperation.

However, international criticism of the impact of sanctions has moved the Security Council to authorize an oil-for-food deal with Iraq allowing the restricted sale of $2 billion of oil every 6 months.[16] Initially Iraq had held out against the terms put forward by the Security Council

contending that they impinged on its sovereignty, but eventually gave in as the United States threatened to suspend the deal indefinitely. At the time of writing, the deal is being implemented by the UN, but the limitations on this humanitarian exception to the sanctions can only provide limited humanitarian relief. It remains to be seen whether it will be the harbinger of a total lift of sanctions, and what implications such a development might have on the future applications of the sanction regime.

Sanctions and United Nations Reform

The political and humanitarian implications of sanctions have generated an ongoing debate on how the world organization can be reformed to deal more effectively with the host of old and new problems crowding the international agenda. The experience of sanctions has revealed some contradictions in trying to preserve both peace and justice, and to protect both human rights and state sovereignty. These are essentially philosophical dilemmas that go to the heart of the UN Charter and it is difficult to see how they can be resolved in practice without changing the present structure and procedures of the organization. From a humanitarian perspective, the contradictions inherent in the sanctions approach can at least be made less intolerable by seriously addressing the proportionality issue through the application of new laws for sanctions similar to the laws of war.

A starting point would be to set up a mechanism within the UN system to the monitor the humanitarian effect of sanctions *before, during* and *after* they are imposed. The projection of possible impact could in itself be a decisive factor in whether sanctions are applied or not; while the monitoring of their effects should play a crucial role in the decision whether to lift them or not. The mechanism could also explore ways of assisting neighbor states who suffer collateral damage and to ensure the delivery of humanitarian assvstance to vulnerable groups in the population.[17]

The debate on IJN reform goes beyond the specific issues of the humanitarian impact of sanctions to the larger and related issue of common and collective security. According to a report of the Independent Working Group on the future of the United Nations, "at the very least, in order to handle these new crises, the UN's intergovernmental organs ha.ve to be made more democratic and more representative of the world community than they are today; the mandates of its field operations have to be clarified; and the world organization has to be given the capacity to react quickly and to establish a presence in areas of conflict before the situation gets completely out of hand. A number of institutional changes are thus required to help the UN identify the problem, define a solution, and put that solution into effect. "[18]

At the center of the proposed institutional changes is reform of the Security Council which many feel has increasingly become an instrument of American foreign policy. For the United Nations to gain more credibility and legitimacy, the Security Council must accord greater

representation to the South; and, to keep in line with the new realities of power distribution, it must include the major economic powers like Germany and Japan. While there is general agreement on the need for a more representative and enlarged membership, there is no consensus on the criteria for selection, or on how to avoid the delays or paralysis that a larger membership and different compo sition might entail.

The reform groups make a distinction between peace-keeping and peace-enforcement, arguing that traditional peace-keeping methods are not appropriate for dealing with situations of intra-state conflict. The Security Council should articulate a clear mandate for each type of operation and, in particular make very clear the implications of moving from one type of mission to another. In addition, a UN Rapid Reaction Force should be established for urgent deployment in conformity with the provisions of the UN Charter and thus, ideally, fill the gap between a Security Council decision and the practical measures to implement it.[19]

Related to this is the need for the UN to forge closer ties and coordination with regional organizations and other elements in the global civil society in evolving workable structural processes and strategies for preventive action, crisis management and conflict resolution. Some experts feel that the UN system has not developed its full potential in this regard: "The strength of the UN lies first in its role as a legitimating forum that facilitates international collaboration, and second on its capacity to reflect the interests and intent of member states through a number of representational forms and in collective action. Against the backdrop of UN authorization, regional institutions, and nongovernmental actors can help local efforts to solve local problems using both private and public assets".[20]

There is an element of circularity in the these arguments: to achieve enhanced security requires a reformed UN; and UN reform depends on the consensus of member states on what constitutes enhanced security (or common security, cooperative security, or collective security). The prospects of such a consensus are by no means in evidence and it may be unrealistic to expect them to materialize in the near future.

Yet if it is difficult, or even impossible, to bring about formal change in the structure of the UN system in the short term, there are still possibilities of informal adaptation which can still plausibly substitute for formal change. Ian Hurd points out how the development of consultation among groups of states has affected the working of the UN system; for instance, the ways in which Germany and Japan have come to be consulted on issues of financial contributions to major peacekeeping operations, and similarly the process by which troop-contributing countries are brought into the decision-making process as informal members of the Security Council.[21]

Other approaches to UN reform question the rigid adherence to peace-enforcement and collective security, on the grounds that the United Nations represents a highly valuable forum for articulating the norms of acceptable behavior in the community of states and can, therefore, make an important contribution to security "even if it never develops robust

enforcement capabilities". Barnett argues that not only do international institutions help to coordinate state interests but they shape the very identity and interests of the state as well. Part of the reason the UN serves this function is because it is endowed with tremendous legitimacy by the norms of international community: "If a state's influence and power is shaped by its ability to abide and be identified with these norms, then the norms will have a powerful effect on state behavior. . . The UN can be judged effective to the extent that states change their behavior as a consequence of its existence."[22]

While the potency of international norms in influencing state behavior should not obscure the realities of power politics and self interest (of states as well as of leaders), it should also not be undervalued. The notion that norms matter for producing a more stable security order and that their articulation and transmission contribute to peace and security seems to be in line with some of basic assumptions in both the critical dialogue and sanctions. Indeed, it would seem to place both concepts in an integrated context where the dialogue approach could come into play as a complement of rather than an alternative to, the sanctions approach. The objective in this integrated approach would not be to inflict collective punishment, but rather to signal international opprobrium in a process of gradual application (ranging from a UN General Assembly's vote of censure to internationally mandated military action), that is clearly linked to well-defined thresholds of compliance (or non-compliance).

In this way, incentives to mitigate the stigma of international censure may be generated through a dialogue process that emphasizes inclusion, not exclusion, and in the sense that the international community as a whole, including the sanctioned parties, has a stake in the outcome. It is likely that enlightened self interest would make the 'carrot' of reintegration (diplomatic, political, economic, technological, or strategic) a more attractive proposition than the pain-inflicting 'stick' of sanctions to all but the most hardened (or hounded) transgressor. Thus, a combined sanctions-and-dialogue approach might more readily bring about changes of attitude by reinforcing the recognition not only of the commonality of interest in observing international norms, but also of the mutuality of interest in the international reintegration of the sanctioned state.

Related to this is the enticing possibility that international and domestic elements of change could act, in a mutually reinforcing process, to enhance the prospects *of internal* reintegration. In addition to the useful distinction it can make between inflamed rhetoric and legitimate state concerns (or between 'radical' and 'moderate' factions within the target regime), a sanctions-and-dialogue approach might conceivably encourage opposition groups to offer a 'Mandela-option' to an authoritarian leadership whose moral authority and political legitimacy has been undermined by internal resistance and internationally mandated sanctions. As the South African case poignantly demonstrates, even the most recalcitrant regime could be induced, under the right combination of internal and external pressures, to accept the possibility or the inevitability of change. (The South African case illustrates yet another relevant point, namely:

that the sports boycott was arguably more effective than the much circumvented economic embargo in symbolizing and dramatizing the international condemnation of the *apartheid* regime.)

Yet there is a need here to guard against projecting constitutive norms as an extension of the intellectual hegemony of the West or as an assertion of the superiority and universality of Western values. After all, these norms are rooted in a long civilizational process and have emerged from a generalized (although by no means uniform) sense of how the international community ought to operate. Michael Oliver suggests that a dialogue can be engaged that is based on mutual respect for cultural traditions in a way that can enrich and not dilute the concepts of universality. He concludes that the United Nations of the future should be "a crucible for just such discussions and for the new understandings of common rights that can emerge from them".[23]

Samuel Huntington argues that, far from being free of conflict, the future of the world order will be dominated by the clash of civilizations: "World politics is being reconfigured along cultural and civilizational lines. In this world the most pervasive, important and dangerous conflicts will not be between social classes, rich and poor, or other economically defined groups, but by peoples belonging to different cultural entities". Huntington's thesis is that the world is not becoming homogeneous; that the controversial ascendancy of Western civilization is being resented and challenged by other civilizations (mainly Islamic and Asian); and that "in the coming era, the avoidance of major civilizational wars requires core states to refrain from intervening in conflicts in other civilizations."[24]

Huntington may be overstating his case and some of his premises are questionable. But his overall thesis may have enough validity to add urgency to the kind of dialogue or constructive engagement that can reach across any civilizational divide.

Conclusion

While the contours of the new international order remain largely undemarcated and new configurations of power relations have not yet assumed some semblance of crystallization and stability, the international community has to cope with problems that increasingly go beyond the task of dealing with the debris of the receding Cold War. In this state of flux, some of the assumptions underlying the present system may need to be redefined in terms of what constitutes collective security in the post-Cold War period and what kind of international organization would be more conducive to it.

Since there is no common consensus on an alternative to economic sanctions, the question is how their use can be refined to reduce their negative inmpacts. It is dificult to find a definitive answer that would square the political circles of the incongruities of national interests, and the inequities of international power realities. But it is not impossible to envisage an approach

that limits recourse to economic sanctions to clearly defined and universally acknowledged transgressions, makes their application under international law contingent on a multilateral, as distinct from a unilateral, policy process, restricts their use to explicitly identified targets and goals, and integrates the process with a dialogue policy that places more of a premium on incentives than on coercion.

The experience of sanctions has so far demonstrated two interrelated concerns. At one level, there is the issue of how to balance the humanitarian impact of sanctions with their expected political gains. The expressed rationale behind sanctions is that they avoid the more inhumane military means and would, therefore, reduce the incidence and level of violence. Yet the rationalization of short-term civilian pain in exchange for longer-term political gain is dubious in both political and humanitarian terms: it has not proved to be politically attainable, nor do many find it morally supportable. Indeed, it seems to place the moral argument on its head by depriving sanctions of their ultimate *moral sanction* as a collective censure of state actions deemed by a consensus of world opinion to be incompatible with universally held international norms.

At another level, the explicit political goals of sanctions are often negated or obscured by implicit political goals such as the need to demonstrate resolve to domestic and international audiences, or the desire to oust the target leadership. These implicit goals may be in line with the perceived national interests of one state, or group of states, but need not necessarily reflect the interests of others, or the international community as a whole. Moreover, there is always the danger that ulterior motives can acquire a momentum of their own to the extent that they can engender a diminishing interest in actually seeing the declared objectives realized. What many see as the US insistence on constantly moving the "goal posts" in relation to Iraq may be a case in point.

It is in this context, too, that a dialogue approach (critical or otherwise) could come into play as an integral component of a sanctions approach by reinforcing the incentives to observe international norms as well as the reciprocal interest in reintegrating the sanctioned state. The promise of international reintegration can, in turn, enhance the prospects of internal reintegration in some form of transitional power-sharing arrangement.

Just as the sanctions approach needs to be precisely clear in determining its target and goals, a dialogue policy should be unambiguous in defining its means and objectives. The problem with the European critical dialogue is the vagueness of its terms and approach which is reflected in the ambivalence of European attitudes towards it. So far the exchange has barely survived breaking down on ideological and cultural fault lines. But while the changes have been small and the results are disappointing, the critical dialogue is, after all, an approach that assumes the possibility of positive returns in the long term. Paradoxically, the recurrence of crises that threaten to bury the policy in mutual recrimination, may end up in the final analysis by giving the concept more definitive meaning and substance.

The focus of a combined sanctions-and-dialogue approach must be on its multilateral, not bilateral, and still less unilateral, orientation and application. Despite the flaws and the weaknesses of the present UN system, the global reach and constitutive norms of international organization still make it the most important, indeed indispensable, consultation forum for all nations. As a comprehensive organization, it facilitates both dialogue and sanctions and provides the legitimating authority to endow each with political substance and moral force.

Yet in order to handle new challenges, the UN system has to be made, at the very least, more democratic and more representative than it is today. Proposals for the revision of the UN Charter, particularly changing the composition and procedures of the Security Council, have emerged with increased urgency in recent years. Most of the issues raised in the dialogue-versus-sanctions debate, in both its political and humanitarian aspects, are at the very essence of the current debate on UN reform, in both its institutional and normative aspects.

The tendency to rely on preserving Cold War instruments and arrangements to contain the tensions of the new power realities in the post-Cold War period, is likely to erode further the prospects of international security and prosperity. The structural changes taking place call for more promising ways for the management of international relations, and the restructuring of power relations entailed in this process would probably be less disruptive and more ma.nageable if it is placed within the context of refornzing and restructuring the United Nation system

Notes and References:

1) International Federation of Red Cross and Red Crescent (IFRCRC), *World Disasters Report* 1995.

2) Press interview by the Foreign Secretary, Mr. Malcolm Rifkind, on the EU Troika Mission to Iran, at the informal EU Foreign Múzisters' meeting, Palermo, Italy,10 March 1996. In a November 5, 1996 article inthe London *Times,* Rifkind outlined an initiative for an Organization for Co-operation in the Middle East, similar to the OSCE, to provide "a forum for dialogue and active collaboration, for lowering barriers and improving links... I would expect that in due course countries such as Iraq and Iran to find their places in such an organi:::tion, once their behaviour permitted it."

3) *The Guardian, 23* March 1996.

4) *ibid.*

5) "Iranian Government Implicated in Murder of Kurdish Dissidents", *Deja News,* 26 November 1966

6) "Iran, Germany Move to Salvage Relations", Deja News, 24 November 1996. In a letter to President Rafsanjani, the German Chancellor, Helmut Kohl, said that "both the federal

government and the German judicial system are far from seeking to injure the religious feelings of your people and its spiritual leadership. " Rafsanjani, on his part, refrained from blaming Bonn publicly.

7) Henry A. Kissinger, *Diplomacy,* Simon and Schuster, Inc.,1994.

8) Michael Oliver, "Reforming the United Nations", *Commentary,* No. 62, October 1995, CSIS, Ottawa. Oliver argues that sustainable development is only feasible through the replacement of ECOSOC by a Sustainable Development Security Council with full powers to coordinate the specialized agencies, including the international financial institutions.

9) Michael N. Barnett, "The United Nations and Global Security: The Norm is Mightier than the Sword", *Ethics InternationalAffairs,* Volume 9,1995.

10) *Economic Sanctions and Humanitarian Action: a Research Initiative.* The Thomas J. Watson Jr. Institute for International Studies, Brown University,1996.

11) *ibid.*

12) "Economic Sanctions: Do they Work? At What Cost?", *The United Nations at the Beginning of*

the its Next Half Century, Brown University.

13) FRCRC, *op.cit.*

14) Donald L. Losman, "Good Intentions Gone Bad", *The Washington Post,* October 6,1996.

15) *ibid.* Losman argues that most formal sanctions should be dropped from the US foreign policy tool box: "If offending policies are truly reprehensible and detrimental to U.S. interests, a military action is appropriate when negotiation fails. For less pressing situations, subtle economic pressures such as delaying aid disbursement, re-classifying imported items into higher tariff categories or delaying agreements on other issues of mutual interest are warranted".

16) According to estimates by UN agencies, more than 500,000 Iraqi children have died from hunger and disease - greater than the combined toll of two atomic bombs on Japan and the recent scourge of ethnic cleansing in former Yugoslavia." Roger Normand,"Food-for-Oil Is Not Enough", The *Washington Post,* June 5,1996.

17) IFRCRC, op. *cit* In his *Supplement to the Agenda of Peace,* the UN Secretary-General called for the establishment of such a mechanism. In the short-term, humanitarian organizations are interested in operational and procedural reform to deal with the lack of coordination between UN political and humanitarian bodies, and with the sluggishness and opaqueness of the UN Sanctions Committee.

18) Report of the Independent Working Group, *The United Nations in its Second Half Century,* Yale University,1995. The report proposes the expansion of the present membership

of the Security Council to a total of approximately 35 members, of whom not more than five would be new Permanent Members. In addition, the veto would be applicable only to peace-keeping and enforcement measures.

19) *ibid.* The report recommends that,"all new Members should be selected with attention to the principles of participation and equity in a universal organization. The new permanent members would be chosen also for their ability and will to contribute, according to their capabilities, to peacekeeping and enforcement operations."

20) Jane E. Holl, *The Carnegie Commission on Deadly Conflict: Second Progress Report,* Washington

DC, July 1996.

21) Ian Hurd, ""Security Council Reform: Informal Membership and Practice", in Bruce Russet (ed.), *The Once and Future Security Council,* Yale University,1995.

22) Barnett, *op. cit.* Barnett maintains that, "these norms can emerge from the fear of what might

happen if they are not heeded - that is, because of self interest and a survival instinct. Therefore, although these norms may have originated in the West, they have been utilized and defended throughout the world by the weak against the strong as a normative armor against their actions."

23) Oliver, op. cit.

24) Samuel P. Huntington, *The Clash of Civilizations and the Remaking of World Order,* Simon &

Schuster,1996.

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EUROPE, THE U.S. AND IRAN

Anoushiravan Ehteshami

Comment: Mahmood Sariolghalam

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The Project 'Europe and the Middle East'

The Middle East peace process and the Mediterranean initiative of the European Union have been an incentive for the Bertelsmann Foundation, Gütersloh, Germany, and the Research Group on European Affairs at the Center for Applied Policy Research, University of Munich, to involve themselves intensively with the future of the relationships between the regions south and north of the Mediterranean. The partners co-operated in 1994 to institute the project 'Europe and the Middle East', thereby completing their involvement with various European problems. The project aims to mediate between the two regions, providing concepts facilitating the development of more intensive relationships. At the same time the project is an attempt to build bridges between political theory and practice. In order to formulate constructive policies for the development of intensified transregional relations, the world of politics should make use of academic approaches and concepts. On the other side, academics of political science benefit from contact with practical application.

The basis for the project are the annual 'Kronberg Middle East Talks', at which representatives from science, economics and politics exchange ideas on current topics of Euro-Mediterranean relations. These conferences are prepared by a cycle of workshops, which deal with questions related to international security, economic development and the governmental and social transformation of the region.

In the circumstances we faced, seeking to
negotiate, in combination with economic
sanctions, was the right course. To think
otherwise ... is mistakenly to equate talking with
yielding... Any predetermined strategy, slavishly
followed, could draw us to nightmarish results ...
The decision to probe and negotiate was sorely
tested in Iran, where our efforts to inject reason
were met only by insolence and insults.
Nevertheless, in the end it was not force of our
arms but the force of our arguments - along with
our economic and diplomatic leverage - that
ultimately prevailed. It was the policy of steady,
methodical probing for a negotiated result that
brought the [hostage] crisis to an end. And I
believe we should take the crisis as a clear
vindication of talking as a means to resolve
international disputes.
Warren Christopher, in <u>American Hostages in</u>

<u>Iran: The Conduct of a Crisis</u> (New York, 1985),

p. 20.

The History of Iranian International Norm-violation

Revolutionary Iran, similar to other revolutionary states of this century, was born with a chip on its shoulder. First of all, it was convinced of the justness of its cause; its revolution was to change the world. Secondly, it had scores to settle, particularly with those who had made it their business to humiliate the 'proud Islamic Iranian nation'. Thirdly, it was so proud of its achievement that it sought to export to the rest of the Muslim world its message of liberation. Lastly, for all its apparent strength and the sabre-rattling of its founders, it had taught its adherents that they had to be ready to defend it against the inevitable conspiracies of the 'satanic' forces that would be unleashed against the revolution. This revolutionary psychology was to contribute to the republic's self-perception, to its infant personality, and to its view of a world which had chosen to embrace the Shah and his regime without regard for the people's aspirations.

For this complex sets of reasons, therefore, from its birth the Islamic Republic of Iran was at loggerheads with the international community, in particular with the US-led Western axis. Having started life under difficult circumstances, with diplomatic isolation and embargoes following its birth, the post-revolution Islamist regime quickly developed the ability to resist outside pressures, be these economic, political, diplomatic, or military. Over time, therefore, Tehran, acquired the skills to acclimatise to external pressures, to respond to them and, wherever prudent, to exploit them fully to its own advantage at home. The new elite became quite skilful in finding ways to minimise the impact of external pressures on its home front and in its relations with other states.[1]

The sense of siege that followed the revolution was compounded by the Iraqi invasion of Iranian territory in September 1980 and the American military's attempt to rescue the US hostages. A combination of these events gave real substance to the instinctive fear Iranians exhibit of

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outside intervention that might lead to domination and manipulation of their country. But on another level, these developments enabled the new regime to establish and express its independence from, indeed disdain for, the great powers - this being a revolutionary aspiration supported by the anti-Shah rainbow coalition. In the course of these struggles the regime managed very quickly to turn its lack of regard for international norms and customs into a virtue. This was to mark, as much for its domestic audiences as for its international detractors, the new Islamist regime's crowning moment, its arrival on the international stage as the only non-Marxist anti-imperialist player. Was this behaviour consistent with the new regime's overall profile?

The US hostage crisis

The taking hostage of American citizens on 4 November 1979 marked the start of tensions in revolutionary Iran's relations with the United States and the former's uncomfortable position in the global order. The subsequent suspension of trade in oil between Iran and the US on 12 November 1979 and US' demand for UNSC-recommended economic sanctions to be introduced against Iran in January 1980 indicated the beginning of Islamist Iran's unhappy relationship with the Western-dominated international system.[2] Although Iran's isolation was more or less complete, back in the days of the Cold War it could still hope that the two superpowers' rivalries would leave it a great deal of room for manoeuvre. Its assessment was a correct one; the US' call for the imposition of UN sanctions on Iran on 13 January 1980, for example, could have become an internationally binding measure had it not been for Moscow's veto of the resolution - which had enjoyed majority support with a vote of 10-to-2 in favour.

Frustrated with lack of progress in the American hostages problem, Washington severed diplomatic relations with Iran in April 1980 and followed up this decision by imposition of an economic embargo against the country. Following the US' decision, the foreign ministers of the European Community countries endorsed US' unilateral act and declared their own (more limited) economic embargo against Iran in May 1980 (an action that received support from Iran's other major trading partners as far afield as Asia, particularly Japan and Australia). The Europeans' most significant gesture was to halt all military contacts with Iran.

The International Court of Justice's judgement, finding Iran guilty of violating international norms gave further impetus to implementation and maintenance of sanctions until such time as the American hostages were, unconditionally, released.

So, in a matter of months not only had the revolutionary Islamic Republic managed to become an international pariah state, but had managed to alienate almost all of its main trade partners as well (see Table 1). The damage caused by a group of anti-American Islamist 'students' taking US citizens hostage was so extensive that it took Tehran several years in the 1980s to re-establish and restabilise its international trade links.

Table 1: Iran's Direction of Trade Flows, 1977-1981 (%)

	1977	1978	1979	1980 1981
Exports				
Industrial Countries	82.0	80.3	75.9	61.3 54.7
Developing Countries	17.3	18.9	23.5	36.9 44.8
Imports				

Industrial Countries	84.4	87.2	76.2	67.0	68.3
Developing Countries	11.5	8.7	16.2	23.8	23.1

Source: United Nations, <u>Handbook of International Trade and Development Statistics</u> (New York: UN) (various years).

Alleged Iranian government pursuit of the regime's opponents overseas

Tehran has acquired a reputation since the early 1980s for relentless pursuit of its political opponents overseas. At first, it was the Pahlavi regime's officials and the Shah's allies who were its target. But since 1982 it is said to have extended its surveillance and intelligence operations to cover the activities of its non-monarchist opponents as well, allegedly seeking to silence these organisations' exiled leaders and activists. As many such individuals live in Europe and, to a lesser degree, in several of Iran's neighbouring countries, the Iranian state's long security and intelligence arm has been most active in these parts of the world, in many instances directly affecting its relations with other countries. Iran's extra-territorial claim on its active political opponents has more than once disrupted its diplomatic relations with several western European countries, most notably with Austria, Britain, France, Germany, Italy, Switzerland and some Scandinavian countries. In almost all of these cases the European power concerned has sought assistance from the law enforcement agencies of its European partners but, in the end, has chosen to deal with the problem unilaterally. The most publicised of such cases are those affecting Iran's relations with Austria (over the murder of the Iranian Kurdish Democratic Party's leaders in Vienna in 1989), France (over the murder of former PM Shahpour Bakhtiar in Paris in 1991) and the FRG (over the murder of the KDP's

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post-Qasemlou leaders in Berlin in 1992). While the German judiciary's pursuit of a senior Iranian leader in relation to the 1992 murders in Berlin does threaten to disrupt Iranian-German relations, no concrete or consistent European approach to the problem of Iranian activities in the West has been found so far.[3]

Western hostages in Lebanon

In January 1984 the US State Department placed Iran on its list of states purported to be sponsors of international terrorism. A direct result of this decision was imposition of statuary sanctions against Iran, which included prohibition of arms sales, and economic and technical assistance. Once again, Iran was being punished for its regional policies. The backdrop to the US decision was the Western involvement in Lebanon in 1983 and suicide bombing of Western country barracks in Beirut by suspected Iranian-sponsored Islamists.[4]

But, in May 1985, the US started relaxing its rules and began encouraging military contacts between Iran and its Western allies (Israel, to be precise) as a way of freeing its citizens held hostage in Lebanon and of strengthening what was regarded as the moderate faction in the Iranian political establishment. By January 1985 the US had initiated direct contacts with the Iranians and direct shipments of weapons followed - this episode in Iran-US relations came to be known as the Irangate scandal. Its exposure marked the end of covert US-Iranian contacts.

But before this sorry chapter on Iran-Western relations in Lebanon could be closed the crisis of the Lebanese hostages had to be resolved. With several Westerners held hostage, again by Iranian-supported groups, the prospects of warmer Iranian-Western relations was a distant hope.[5] Noteworthy in this period was the French response to the holding of its

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citizens hostage in Lebanon, whose number seems to have increased between 1985 and 1987 in direct response to Paris' treatment of known Islamist terrorists in its custody. As George Joffe notes, change of government in France in March 1986 presaged policy changes towards Iran and Syria which resulted in freeing of all its citizens by May 1988.[6] Again, Iran, for its part in the Lebanon hostage crisis, was isolated and marginalised. When it did suit it, however, Tehran did intervene on behalf of 'friendly' Western powers to secure the release of their citizens. But Iran's dependence on Syria for access to its Lebanese allies was consistently underestimated by the West and, by the same token, its ability to dictate to the hostage-takers was overestimated. Inevitably, for its lack of compliance with international norms, the Islamic Republic was subjected to some (unsystematic) political and diplomatic Western pressure. In the end, however, by the late 1980s the hostage issue had run its course and before it could turn from a profitable venture into a major liability, Tehran set about 'resolving' the issue with the West. By 1989, with the end of the Iran-Iraq war (in 1988) and the arrival of a new order in Iran (death of Ayatollah Khomeini and emergence of Hojjatoleslam Rafsanjani and Iran's first executive president) and in Lebanon (the Taif accords) the Lebanon hostages issue no longer featured as a problem between Iran and the West. A new storm, however, had already started gathering - this one was to become known as the Rushdie affair.

EU-Iran tensions over Salman Rushdie's The Satanic Verses novel

The Rushdie affair, as this crisis has been known, flared up as a result of the violent responses by large sections of the British Muslim community and their counterparts in India and Pakistan to the publication of Salman Rushdie's new book. Iran, though slow in responding, 'bandwagoned' and proceeded to adopt the harshest line on this book, its author and publisher in the Muslim world. Several months after the publication of The Satanic Verses and radicalisation of Muslim opinion in Britain and on the Indian sub-continent, Ayatollah Khomeini issued his famous edict condemning the author to death for apostasy.

The West's response to this new challenge from Iran was not only slow in coming, but when it did it was rather weak and confused. While some countries came out condemning Iran from the outset others, including Britain, struggled hard to appear

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even-handed and sensitive to Muslim sensibilities at home and abroad. France came out most strongly against the edict, with President Mitterand labelling Iran's threat against the author and his publishers an 'absolute evil',[7] and West Germany became the first EC country to recall its head of mission from Tehran. Italy too took a hard line on the issue. Thus, by mid-February 1989, within a short period of the passing of Ayatollah Khomeini's edict, the twelve EC countries had reached agreement that a concerted response was in order and so, in a joint exercise, their FMs recalled their ambassadors from Tehran. Unusually, the Soviet Union expressed broad support for the Western position and, while condemning the edict, encouraged dialogue between Iran and the EC. Also, interestingly, most Muslim states chose to distance themselves from Iran's position, even though a majority within the Islamic Conference Organisation continued to criticise Rushdie for writing such a book and the West for harbouring him.

Unlike previous raptures in Iranian-Western relations, however, the Rushdie affair proved to be a relatively brief one: the diplomatic tensions between Iran and the Community as a whole lasted for one month. On 20 March 1989 the EC FMs decided unilaterally to return to Tehran and normal operations were resumed. But, while the problem of Ayatollah Khomeini's anti-Rushdie edict may have been put on the back burner for the moment it is far from resolved, and will therefore continue to be used as a political football in Iran as well as by those countries looking to punish Iran for its foreign policy excesses. As such, therefore, Rushdie affair does continue to cloud Anglo-Iranian relations in particular and warmer EU-Iranian relations in general, casting suspicions on Iranian micro-policies in the West and on the behaviour of its representatives and sympathisers in Europe.

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Relations between Iran and the US have been going from bad to worse in the 1990s, a situation not helped with the return to the White House of a Democratic administration whose leaders had never forgiven the Islamic Republic for its part in humiliating President Carter in 1980 and for helping to keep the party out of power for all of the 1980s. Thus, from May 1993, under the leadership of President Clinton and Secretary of State Warren Christopher, the US put in motion an intricate strategy to isolate Iran for its 'roguish' behaviour.[8] This new US policy towards Iran formed part of its overall strategy towards the Persian Gulf region: to 'contain' Iran (and Iraq) and to prevent these states from harming America's interests and its allies in the Middle East, and to provide direct military and security assistance to its GCC allies. Freezing Iran out of the Arab-Israeli peace process was another stated objective of the containment strategy. The overall objective of the containment policy was to force Iran to reform: to revise its rejectionist stance on many regional issues, change its behaviour internationally, and become a 'good citizen'. In short, to become a 'normal state'. For the most part, the policy of containment in its early years resembled more an statement of intent rather than adoption of actual measures against the Islamic Republic. Despite the White House's protestations about close economic ties between Iran and the US' Western allies, the US' own trade links with Iran had approached the US-$ 1.0 billion mark by the mid-1990s.[9] This was an embarrassing reality which may have caused an acceleration in Washington's tougher line on Iran, and allowed the Congress to force the Clinton Administration's hand on Iran.

In May 1995 Clinton signed an Executive Order (No. 12959) banning all US trade and investment links with Iran. Under pressure from the White House, Conoco withdrew from an exploration deal with Iran in March 1995. Despite EU protestations (for instance its official protests of 6 May and 19 July) and direct attempts by the Union's

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representative in Washington to plead with senior member of the US Congress, on 5 August 1996 the Iran and Libya Sanctions Act of 1996 became law.[10] This was an escalation in the US' attempts to isolate the Islamic Republic and marked a departure from its policy of unilateral action against the country, which had included the allocation of US-$ 18 million a year by the US Congress to finance efforts to undermine the Iranian regime[11] - a measure that was not only against the letter of UN conventions but also in contravention of the 1980 bilateral agreement between Tehran and Washington that the US would in future not interfere in Iran's internal affairs (see earlier section of this paper).

The EU lodged a formal protest against the US on 8 August 1996 and its trade commissioner, Sir Leon Brittan, promised to fight the US action on behalf of the Union through such international bodies as the World Trade Organisation. In October, the EU threatened to enact legislation in order to protect European companies from the reach of US law.[12]

Since President Clinton's re-election in November 1996, we can detect slight changes in the US approach towards Iran. While Tehran continues to be 'enemy number one' in Washington, the prospects of holding direct talks with the Iranian leadership has been mentioned by some US Administration officials, to the dismay of some powerful Washington insiders.[13] Where this might lead remains unclear at present, but is indicative of a re-appraisal of the US position on Iran. Such a re-appraisal may be part of a bureaucratic exercise designed to assess the effectiveness of American diplomacy in this regard, or could in fact be a direct response to the mounting domestic American pressure as well as international diplomatic and commercial protest against the D'Amato Bill of 1996. On the diplomatic front, it is interesting to note that not only the US' trade partners in Asia and its political allies in the developing world have come out against the US legislation, but so too have its closest European allies. This should not be too surprising, considering the fact

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that four EU countries (Britain, France, Germany and Italy, plus Japan) form Iran's main trading partners[14] and consume most of its oil output.[15]

On the business front, most Western companies have greeted the D'Amato Bill with horror. As one advertisement in a recent edition of the influential **Financial Times** illustrates, multinational businesses have been applying pressure on the US Administration to review its policy of secondary boycotts.[16] The Mobil advertisement stated that 'the use of secondary boycotts to achieve foreign policy objectives should be avoided', a line of argument that first appeared in the New York Times and was taken up by other influential newspapers.[17] Until the D'Amato Bill of 1996, the EU companies seemed content to sit back and take advantage of the US' unilateral trade and investment embargo on Iran,[18] which partly explains the US Senate's decision to raise the stakes and adopt the D'Amato Bill.

Although the 1995 and 1996 American legislative moves against Iran have had a degree of adverse effect on the Iranian economy, particularly with regard to the stability of its currency against Western currencies and in less tangible psychological terms, their direct economic impact remains far from apparent. Clearly, so long as the US' Western allies (in Europe and in Asia), Russia and China continue to trade with and invest in Iran, at the same time as fighting the US action, the D'Amato Bill will remain a blunt instrument.[19] If, however, Western companies take fright and their governments crumble in the face of American resolve, then the chances of the sanctions having a very direct impact on the Iranian state cannot be dismissed. Under such conditions we should expect strong Iranian reactions and concerted efforts to widen the gap between the US and its European allies. This might be done through a combination of economic and political concessions to the EU (an unlikely scenario if the crisis in German-Iranian relations escalates) and threats to expose Europe's strategic weaknesses. Either way, a dramatic Iranian response is likely.

Impact of International Responses on Iran

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In broad terms, looking at international responses from Tehran's perspective, their impact can be said to have been limited, in that they have failed to force Iran to change its ways. But, one can argue that international pressure has caused some amendments to its policies and has brought about a review of some of its more unrealisable ambitions. What can be sensed with clarity, however, is that international responses to Iran's norm violations have tended to leave a lasting mark on the Iranian state, as an examination of the US hostages crisis illustrates.

The legacy of the US hostages crisis

This crisis, I would argue, has left a deep scar on the Iranian political elite's psyche, and in a fashion has been interpreted by the regime as a sign of its strength, independence and righteousness. The hostage crisis forms an important element of the regime's revolutionary political folklore. Iran continues to this day to celebrate the regime's defiance of the 'Great Satan' by a ritual of orchestrated demonstrations and other activities outside the 'den of spies' (the former US embassy compound). In particular, the settlement terms (specifically the American commitment not to interfere in Iran's internal affairs) seemed to vindicate the Islamist forces' rejectionist policies.

In more practical ways too the crisis has left a deep mark on Iran. Firstly, it showed Iranian leaders how vulnerable the country was to Western power and how insignificant its voice could be in the key international fora. Since then, Iranian leaders have been trying very hard to reduce their regional isolation by cultivating ties with both state and sub-state forces in the Middle East and beyond, largely through such alliances as with Syria for example, and support for Islamist groups like Hizbollah, etc.

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Secondly, it was apparent to all that the crisis had cost the country dear in terms of its hard currency reserves, perhaps to the tune of US-$ 10 billion, thus depriving it of a vital economic asset. Thirdly, the sanctions had cut Iranian access to vital US (and some) Western imports, and virtually all its military-related needs, a problem that has been alleviated today by closer contacts with Russia, China and North Korea, but persists to this day in terms of Iranian military relations with the Western world.

The economic and military impact of the hostage crisis, thus, are still reverberating in the Iranian economy and in its politico-military relations with the outside world.

In domestic political terms too, the hostage crisis was a harbinger for change. It brought to an abrupt end the ascendancy of the 'liberal' elements in the revolutionary coalition and soon eroded their legitimacy as a credible political force. Without legitimacy and credibility their demise was inevitable.

With respect to Iran's international relations, the hostage crisis must be viewed in the context of its changing foreign policy priorities after the revolution. Briefly, these were based on its 'neither East nor West' (non-aligned) principle - with a heavy emphasis on equal distance from the superpowers - closer ties with the Third World, support for (particularly Islamic) liberation movements, diversification of trade partners, and export of its brand of Islamic revolution through co-operation, subversion and co-optation. With these principles guiding its foreign policy priorities a run-in with the US-led West was almost inevitable. But did these principles really guide the republic's foreign relations? On reflection, the answer has to be a qualified no, for from the outset Iranian leaders injected a great deal of pragmatism in their policies. This point can be demonstrated with the aid of a few examples: opposition to

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the 'American-Islam' of Saudi Arabia was tempered by close ties with America's Muslim allies, Pakistan and Turkey; its hostility towards Ba'thist Iraq was balanced by its alliance with equally Ba'thist Syria; it confronted the US, and yet strove to maintain close relations with the US' European allies; it attacked both superpowers for their 'arrogance' and yet ensured at all times that the route to Moscow would not become blocked; it preached Islamic brotherhood and yet developed strategic ties with communist China and North Korea.

Reactions of Third Parties

Reaction of third parties should be examined in the context of the crisis concerned and the prevailing global balance of power. The bipolar world of the 1980s did give Iran a degree of mobility and ability to use the international balance to its own advantage. Pressure from the West thus was reduced through the availability of safety valves in the East. This situation no longer exists, however. In the 1990s, with a unipolar military system on the one hand and a multipolar economic system on the other, while countries like Iran may find it more difficult to escape from the US, they can still use the elasticity of the system to manipulate it and also use it to their own advantage.

When assessing third party reactions to Iran's policies overseas, therefore, we must take stock of the changes in the international system. This though is insufficient in itself. In Iran's case we are dealing with several crises with different outcomes. So, for a fuller understanding of third party reactions we must allow for each to be examined in turn. Only through such a method will one be able to appreciate third party reactions to Iran's violation of international norms.

As we saw, during the US hostages problem, the world was united in condemning Iran's behaviour and, for the duration of the crisis, the West

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was able to form a (pro-US) united front against Tehran. But during the Lebanon hostages problem and rise of Middle East-linked terrorist activities in Europe the West was acting as a divided camp, with France and Britain representing the two poles of European opinion: while the British government refused to 'negotiate with hostage-takers', the French and German governments were prepared to cut any reasonable deal with the hostage-takers that would ensure the safe return of their citizens.

A degree of unity in response to the anti-Rushdie edict was in evidence. Western countries rallied around Britain and unreservedly condemned Ayatollah Khomeini's incitement to violence against the British novelist. But today the Rushdie affair seems to be a problem in Anglo-Iranian and not in EU-Iranian or broader Western-Iranian relations.

In the 1990s the Western unity which had prevailed earlier has disappeared, with it pursuing two competing, and at times contradictory policies towards Iran. The significant issue here is that the West has been allowing new divisions to appear in its rank at a time when the international system itself has been undergoing some fundamental changes. Clearly, the dynamics of the post-Cold War international system have not helped Washington's position, and the American superpower has been finding it hard to adapt itself to the countervailing pressures that are an inevitable product of today's multi-polar international economic system.

More specifically, US' advocation of 'containment' of Iran has been matched by the EU's 'critical dialogue' initiative, and with other major powers refusing to toe the American line, Iran has been left with plenty of options. Lack of a united Western response, as evidenced by European reactions to the D'Amato Bill, has allowed countries like Russia, China and other Asian powers, as well as the West's Middle East regional allies, to develop their own policies towards Iran and follow a

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path that is distinct from the two main Western positions. It is noteworthy that for the non-western world the policy of unreserved co-operation with Iran has applied. This policy has shown signs of alteration only when prompted by the US, or when pressurised by the West.

Possible Policy Recommendations

To recap, the need to affect Iran's behaviour stems from perceptions about its policies towards its neighbours and its ability to disrupt the balance of power in the MENA region (plus in Central Asia) against the West, its sponsorship of radical groups in the Middle East, and also its pursuit of conventional arms and a non-conventional weapons capability.

Policy recommendations, however, must bear several points in mind. First, that the non-western world may not view Iran through the same lens as Washington sees this country and therefore may not find its ruling regime as abhorrent as it appears to the US. Secondly, even if action is to be taken against the Iranian state, the question still needs to be asked how is change to be forged? Is it to be revolutionary (overthrow of the current regime), or evolutionary (encouraging the growth of pragmatic tendencies in the current regime and pushing it to pursue non-confrontational policies in return for economic partnership and assistance).

A considered view of the above, it seems to me, can lead to two divergent perspectives; one that recommends forcing Iranian policy changes through isolation and punishment, and another, that views a carrot and stick policy which would bring about gradual, but concrete, change. Despite their differences, however, the two approaches have one major factor in common: both strategies calculate that the route to

influence the Iranian leadership passes through the Iranian economy. Is this assumption a fair one?

On balance, one has to answer with a qualified yes. Lets look at one factor of vulnerability: Iran's external debt problem which arose out of its spending spree of the early 1990s has quadrupled since 1989. Iran's foreign debt in the mid-1990s has been hovering above the US-$ 25 billion figure, standing at around 36 per cent of its GDP, costing the country an average of US-$ 4.0 billion a year in debt servicing.[20]

Table 2: Iran's Foreign Debt, (Selected Years, US-$ Billion)

	1980	1988	1990	1991	1992	1993	1994
Long-term	4.5	2.1	1.8	2.1	1.8	5.8	16.0
Short-term	0.0	3.8	7.2	9.3	14.3	17.6	6.7
Total	4.5	5.8	9.0	11.3	16.0	23.4	22.8
Export credits	--	3.1	7.8	8.8	8.7	9.1	10.1

Source: World Bank, World Bank Debt Tables 1996 (Washington, DC: World Bank, 1996).

Although, according to the World Bank, Iran has been relatively successful in tackling its foreign debt problem (successfully reducing it to just under US-$ 20 billion in 1996), and, thanks to firmer oil prices in 1996, its foreign exchange reserves have been showing signs of recovery (reaching US-$ 8.5 billion), its foreign debt obligations still leaves the state rather vulnerable to external financial pressures - at the very least until 2001. This heavy financial burden is compounded by the

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Iranian economy's heavy dependence on hydrocarbon exports and by its need of capital goods and industrial (and consumer goods) spare parts imports.

If it is believed that applying pressure is a prudent policy then one could do much worse than combining affirmative action, in the form of critical dialogue, with threatening to balance support for Tehran's financial and hard currency difficulties in Western financial institutions against evidence of 'normal' behaviour.[21] Anecdotal evidence from the 1980s suggests that such approaches, if followed patiently and consistently, could produce positive results.

For Iran, economic prosperity through reconstruction of its shattered economy is an imperative that cuts across all schools of thought within the elite. There is even broad agreement amongst the establishment that reconstruction can occur only in an open-market economic environment. The dilemma is should this process be helped or should it be hindered. Support for this process, some argue, may be interpreted by Tehran as condoning Iran's norm violations. Moreover, the success of its reforms, the same line maintains, will embolden the regime to misbehave internationally. For this group of analysts and policy-makers, Iran's economic successes, especially under its pragmatist leadership, will spell disaster for regional stability and normal relations.[22] As might be expected, this school of thought regards isolation of Iran as central to its strategy.

In a multi-centre system, like today's post-Cold War setting, however, attempts to isolate a regime can have the effect of encouraging the growth of radical factions within it, as well as effectively driving the subject state towards other international players or blocs. Far from imposing an effective isolation regime, therefore, one could be forcing realignment of forces at the international level. Moreover, in a world

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where increasingly economics determines foreign policy such unilateral measures as that of the US towards Iran can only cause unnecessary divisions between political and economic partners and bring about discord in such powerful Western-dominated groupings as the OECD and in EU-US relations. I note with more than a hint of irony that divisions in the Western bloc are occurring in the 1990s not over bilateral or multilateral disputes, but over treatment of less important third parties[23] - over relations with Iran, Cuba and Libya for example. For the moment, this perspective seems to be lost on those advocating the strengthening of sanctions against Iran. This much we can glean from the words of one senior Washington insider, who stated in late 1996 that with regard to Iran, 'Europe can either be part of the problem or part of the solution'.[24]

The above prevailing view notwithstanding, past experience shows that issue-based negotiations with Tehran - like over the US hostages, the renewal of the NPT, introduction of a global ban on chemical weapons, international population control efforts, environmental issues, etc. - can bear fruit and provide a bounty of opportunities for broader dialogue and exchange of views with Iranian leaders. European countries at least should be able to take advantage of such openings to engage Iranian policy-makers on matters of concern to the West, and by the same token address Iranian fears of an US-orchestrated conspiracy against their country. Also, establishing contact with members of the elite and other social forces can help in opening up the country to new ideas and to deeper contacts. Indeed, as Iran's is not a monolithic political system, with a vibrant and open society, contact with many of its sound national institutions should not be too difficult. Surely, one way of influencing Iran must be through such direct contacts, and development of dialogue between its many societies, clubs and associations as well as its national institutions and organisations, and their Western counterparts.

Moreover, Iran can be pushed towards broadening dialogue with its neighbours, particularly with such pro-Western states such as Turkey, Oman, Saudi Arabia and even Egypt, the very countries that Tehran itself has been keen to cultivate. So, one practical step would be to defreeze Tehran's contacts with the US' regional allies. This

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strategy may also encourage Tehran to reduce its reliance on its only 'strategic partner', Syria, and also help in stunting the growth of this potentially powerful Middle East axis.[25]

In addition, the West should not shy from acknowledging and encouraging Iran's role in conflict resolution and peace-making efforts in the area. Its role in efforts to stabilise Afghanistan and Tajikistan, and in containing the Armenian-Azeri conflict in recent years, for instance, has already been recognised by Russia and its other neighbours and is even acknowledged by the UN. Why should not the West do likewise?

At another level, the experience of recent years has shown that dialogue is also needed between the Western powers themselves over their policies towards countries like Iran, which are not subject to UN sanctions and yet violate international norms. As everyone regards the current system of confrontation between Washington and the EU as unhelpful and counterproductive, then is not it essential to establish a network of contacts between the two sides of the Atlantic, a US-EU dialogue, that is designed to allow for exchange of views and ideas, and also to iron out differences, between the allies?

In conclusion, let me raise some broader issues with a bearing on this case study. Internationally, Iran's position is undergoing some changes. Iran is, in my view, increasingly finding itself moving towards the Euro-Asia orbit - even though it continues to function within the US-dominated international and regional systems - and promotes closer economic ties with the rest of the Third World. In practice, in the post-Cold War emerging international system, this means deeper Iranian economic (and wherever permissible political too) interactions with the European Union states, Russia, China, India and Japan, and further distance from the United States. While the trend of accommodation may be good news as far as Iran's overall role in the international system is concerned, it

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does mean, however, that in regional terms the more structural the US-Gulf Co-operation Council axis becomes, the further east in the Middle East region the Arab-Israeli peace process spreads, and the closer Washington draws itself towards the Asian CIS republics, perhaps the less likely that Iran and its pro-American Gulf Arab and Central Asian neighbours will travel within the same regional and international framework, making easy interaction between Iran and its two neighbouring regions more difficult and integration less certain in the future.

The West, therefore, needs to ask itself, in such fluid conditions as is witnessed in West Asia today, is it prudent to have such a geopolitically important country as Iran forcibly frozen out of the power balance, or should it, as the British FM suggests,[26] be aiming to create an OSCE-type regional system (lets call this the OSCME) which would tie countries like Iran more directly into the fabric of regional structures, and build on their domestic needs for international co-operation to make them more conformist?

Mahmood Sariolghalam: Responsiveness of International Actors to Policies of the International Environment - Case Study: Iran by Anoushirvan Ehteshami - A Rejoinder

Dr. Ehteshami's paper is a fair treatment of the Iranian case. It pinpoints some of the fundamental variables affecting American behaviour toward Iran. It further provides useful data to analyse the impact of economic sanctions against Iran and to what degree they have affected actual policies or the performance of the government of Iran. Dr. Ehteshami on many occasions refers to the psychology of Iran's post-revolutionary elite and the way their perceptual construct affects their behaviour, an important analysis especially for a revolutionary elite. Moreover, Dr. Ehteshami's paper demonstrates how in Europe the Iranian case is viewed differently and how such a distinct analysis leads to different conclusions and policy choices.

The author's initial attempt to present a background of Iran's Islamic revolution is rather instructive in understanding Tehran's regional behaviour in the Middle East as well as its overall foreign policy orientation. Iranian new revolutionary elite did not perceive of itself as representing one nation-state called Iran. Rather, their scope of concern and unit of political analysis included the Muslim world at large. All revolutions tend to carry a philosophical outlook and finally reach a stage where they are in conflict with the status quo in their immediate regional order and depending on their scale, with the international system. With very little exposure and a highly indigenous views, the leadership of Iran's revolution believed it had all the answers to Middle Eastern ills. Security-conscious Arab leadership chose to distance itself from Iran and became further dependent on the United States. The point being that Iran and the United States, from the very first day, developed highly conflicting interests which led to a cycle of confrontations. Dr. Ehteshami

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discusses how these confrontations have unfolded and where the U.S. sanctions fit into the overall matrix of Iran's economic and political performance. Below, I will analyse the impact of the sanctions on Iran's behaviour.

Before speaking on sanctions, I would like to raise a few notes of caution. Dr. Ehteshami, I believe, attaches too much salience to Iran's relations with China and Russia. Both countries' major interest is in hard currency. China does not have fundamental Middle Eastern interests and Iran, aside from China's occasional global calculations, poses no serious concern to Beijing. Russia may be different but Iran presents highly parochial interests. Historically, Russian-Iranian relations have never been cordial. And in its strategic withdrawal from the Middle East, Moscow is even less concerned about the outcome of events in this region. Therefore, no strategic relationship is going to emerge between the two sides. Tehran believes that it has no other choice but to purchase weapons from Russia and China and hopes to divide a UN security council on a single Iran policy; a pursuit that may have very positive consequences on universal sanctions.

A second point of caution deals with methods of treating the Iranian contemporary state. Perhaps, one reason why Europeans think differently of Iran is because they have direct experience with a heterogeneous state. Iran is not a one-man ruling system like many of its neighbours. While there are points of convergence among elite groups, there exist varying approaches to issue-areas and methods of conflict resolution. This structure actually represents the varying conceptual strata in the contemporary Iranian society. As a consequence, it would be misguided to treat the Iranian state as a unitary one. While it is true that there exists more consensus on foreign policy issues, there are ongoing debates on social, economic and cultural topics.

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A third point of caution concerns the assessment that Iran is moving towards an Euro-Asia orbit. While there are many attempts to develop relations with countries such as Japan, China, India, Pakistan and Malaysia, but it is evident that Iran's fundamental security problems are regional where the United States has direct and wide influence. Over the security issues that Iran deals with, there is open confrontation with forces surrounding it. Economically as well, Iran conducts some ninety percent of its trade with Germany, Italy, France, Japan and Britain respectively. It goes without saying that no country can separate its security concerns from its diplomatic and economic interests. It may be wishful thinking for Iran to turn to Asia for strategic relationships while much of vital interests lie within non-Asian forces of the Middle East. Finally, it should not be underestimated that Iran's state legitimacy resides within Middle Eastern developments and outlooks.

Have the U.S. sanctions been effective on Iran or not? Have they modified the behaviour of the Iranian government? In what way have they affected Iran's economic and political performance? In responding to these questions and perhaps engaging in the subject matter that Dr. Ehteshami has elaborated upon, I would like to focus on a number of variables. First, it should be pointed out that the sanctions have had very little impact on the average life of an elite member in Iran or the average citizen. The average person in Iran today lives with better standards than his or her counterpart in Turkey, much of the Arab world and Central Asian republics. Although cultural diversity is much smaller in Iran compared to many of its neighbours and life style has become very much domesticated in the post-revolutionary era consumerism has grown rapidly both in rural and urban areas. While rising inflation has influenced all parts of the population, a second or even a third job

especially in urban areas has made up for the deteriorating purchasing power.

Iran's economic difficulties are due to domestic structural and managerial inefficiencies as well as its negative global image. While the sanctions have not left an enduring impact on the lives of average citizens, they have further cultivated a negative image among both friends and foes of Iran. A negative image impedes technology transfer and foreign capital investment. Since the revolution, transfer of complex technology to Iran has not occurred. Even the Japanese and the Germans who have been interested to pursue a more or less independent policy toward Iran terminated their earlier commitments to invest both financially and technologically in Iran's petrochemical industry. Since 1994, no major lending has been approved for Iran. The U.S. stance on Iran, especially during the Clinton administration, has brought about more caution on the part of major Western and non-western potential investors in Iran's economy. Although there is significant business interest in the United States toward Iran, the cancellation of the Conoco deal exemplifies the extent to which investors have to comply not only with the official American policy but also the negative image of Iran. The hypothesis advanced here is that the major impact of the U.S. economic sanctions on Iran is the perpetuation of a perception already in place by earlier events such as the taking of American hostages in Iran. In other words, Iran's expanded entry into the regional and international community is fundamentally hindered by a global negative perception. The US sanctions of 1995 and 1996 solidified this rather deep perceptual cognition.

Such developments fit American strategic interests in a large circle that includes the Arab Middle East, Turkey as well as the Central Asian region. Perhaps, it can be said with some certainty that the U.S. is not

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interested in the disintegration of Iran. But it certainly is interested in maintaining a week Iran to limit its potential projection of power both in the Persian Gulf region and Central Asia. On the one hand, the U.S. would like Iran to act as a status quo state. On the other hand, Iran tries to live and perform without the United States.

Furthermore, Iran's willingness to sign a major US-$ 3 billion contract with an American oil firm indicates its policy of differentiating economic interaction from political and cultural attachment. Cultural autonomy and cultural domestication is a major concern of Iran's revolutionary elite. It is also believed that cultural indigenization requires political distinctiveness. This orientation is not new in the Middle East. It can be found throughout the region and even before the advent of the Iranian revolution. The bottom line in Iran's demands appear to be a sustained regional status with deglobalized culture along with unlimited economic expansion. The idea with the localisation of culture runs counter to the globalization patterns of individual tastes, outlooks and behaviour. These patterns in Iranian behaviour may also be found in some nationalist and Islamic circles in Egypt, GCC countries, Maghrib and now in Turkey. So, this is a challenge that American policy-makers have to deal with. As a region, the Middle East is moving in the direction of greater assertiveness in cultural matters; Turkey being a prime example.

Critical dialogue with Iran may be useful but it should focus on fundamental political and then cultural issues. Not only with Iran but with many other issues and states in the Middle East and North Africa, is the West going to differentiate economic, cultural and political arenas from each other or is it going to utilise military means or economic sanctions to force players to comply with its norms? Responses to these questions may require engaging in civilizational debates as Samuel Huntington does and/or they may ultimately depend on policy debates and domestic

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political as well as economic forces in the Western capitals. Has Iran changed its behaviour? Its rhetoric has certainly not changed, but it has become weaker as a state and its global interactions have been reduced. Psychologically, the Iranian elite has become more confident as a result of the sanctions but Iran's relations with the Arab world is at its worst status perhaps even in historical terms. Iran may look toward the North or expand trade with the pacific region but its fundamental security interests and political vitality lie within its Western and Southern frontiers. Therefore, the conclusion is that the economic sanctions have confined Iran politically and have reduced its long-term potential economic growth. If the immediate objective of the dual containment policy as well as the economic sanctions were to modify behaviour, it appears that Iran has become even more convinced of its policies. But the sanctions and the containment policy have further deepened the "perception of threat" especially in the minds of GCC leadership. Perceptions are more important than realities, particularly in the Middle East where exaggeration overrules calculation; emotion dominates rationality and obsession with power supersedes any other human pleasure. In the end, expressing wishes and objectives may not matter; limitations to pursue them are relevant.

[1]The ability to find appropriate responses to external pressures has been a useful genetic skill which seems to have been passed down to Ayatollah Khomeini's lieutenants who are in power today!

[2]The US suspended delivery of military equipment to Iran on 9 November, stopped buying Iranian oil on 12 November and took steps to freeze all assets of the Iranian state under its jurisdiction on 14 November. The latter act deprived Iran of access to some $12 billion in bank deposits and gold assets. For details see Roy Assersohn, The Biggest Deal: Bankers, Politics and the Hostages of Iran (London: Methuen, 1982); Barry Rubin, Paved With Good Intentions: The American Experience and Iran (New York:

Oxford University Press, 1980). See also report of US House of Representatives: The Iran Hostage Crisis: A Chronology of Daily Developments (Washington, DC: USGPO, 1981).

[3]Amid rising tensions in German-Iranian relations, a German public prosecutor, Bruno Jost, on 15 November 1996 demanded life sentences for one Iranian and four Lebanese charged in the 1992 shooting. To the dismay of the German government, the prosecutor in the case has implicated Iran's top leaders, Khamenei, Rafsanjani and head of Iran's intelligence organisation, Ali Fallahian, for their role in the assassinations. For official Iranian and German responses to the case see UPI's daily reports.

[4]See George Joffe, 'Iran, the Southern Mediterranean and Europe', in Anoushiravan Ehteshami and Manshour Varasteh (eds) Iran and the International Community (London: Routledge, 1991).

[5]A total of 96 foreigners were held hostage in Lebanon between 1983 and 1988, of which 25 were Americans, 16 French, and 12 Britons. See Muskit Burgin, 'Foreign Hostages in Lebanon', in Ariel Merari and Anat Kurz (eds) International Terrorism in 1987 (Boulder, CO: Westview Press, 1988).

[6]Joffe, Op.cit.

[7]Daniel Pipes, The Rushdie Affair: The Novel, the Ayatollah , and the West (New York, NY: Birch Lane Press, 1990), p. 158.

[8]See Geoffrey Kemp, Forever Enemies? American Policy and the Islamic Republic of Iran (Washington, DC: Carnegie Endowment, 1994), and Fawas Gerges, 'Washington's Misguided Iran Policy', Survival, Vol. 38, No. 4, Winter 1996-97.

[9]According to Iranian Ministry of Commerce figures, Iran's imports from the US had been in excess of $800 million in 1993/94, barely $200 million short of Britain's exports to that country.

[10]This bill threatens penalties against non-US companies investing in excess of $40 million a year in the hydrocarbon sectors of Iran (and Libya).

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[11]The sum of $18 million a year is in addition to the CIA's $2.0 million a year allocation for covert operations against Iran. Although this measure did not have the support of the White House and the CIA, its adoption by the Congress in early 1996 has meant that the US Administration is now committed to financing covert operations against the legitimate government of another sovereign state.

[12]Tom Buerkle, 'EU Steps UP Campaign Against U.S. Sanctions', International Herald Tribune, 2 October 1996.

[13]Opposition to any revision of the US policy towards Iran is articulated in a newspaper editorial entitled 'Why Ease Up on Iran?'. See Washington Post, 11/12/1996.

[14]See International Monetary Fund, Direction of Trade Statistics (Washington, DC: IMF, 1995).

[15]See Oil and Gas Journal, 8 May 1995.

[16]Mobil, 'Secondary Boycotts: Squeeze Plays that Hurt Everyone', Financial Times, 5 November 1996.

[17]See editorials in The New York Times, 1 July 1996 and the FT, 12 July 1996.

[18]The French oil company Total, for instance, moved in to replace Conoco when the US Administration banned the American firm from entering the Iranian hydrocarbons sector in 1995. The contract is worth $600 million.

[19]The continuing support given by European and Japanese businesses to Iran's strategic industries in recent years indicates how ineffective US pressure has been. One example of such support is the November 1996 agreement reached between Iran's National Steel Company (NISC) and a consortium of European and Japanese banks to provide $561 million in credit for a number of steel industry-related projects in Iran. Italy's state-controlled Mediocredito Centrale has guaranteed financing for the new projects. See Dow Jones Business News, 10 November 1996.

[20]Economist Intelligence Unit, Iran Country Report (2nd Quarter 1996) (London: EIU, 1996).

[21]Note, for instance, that one of Tehran's main grievances against the US is Washington's refusal to release several billion dollars in Iranian assets in the US frozen since 1980.

[22]Patrick Clawson, Iran's Challenge to the West: How, When, and Why (Washington, DC: The Washington Institute Policy Papers 33, 1993).

[23]See also Samuel P. Huntington, 'The West: Unique, not Universal', Foreign Affairs, Vol. 75, No. 6, November/December 1996.

[24]Statement of Gregg Rickman, Senator D'Amato's legislative director, at a conference in London held in early November 1996. See Gulf States Newsletter, 18 November 1996.

[25]For an account of the origins and continuing importance of the Syrian-Iranian axis see Anoushiravan Ehteshami and Raymond A. Hinnebusch, Syria and Iran: Middle Powers in a Penetrated Regional System (London: Routledge, 1997).

[26]David Gardner, 'Rifkind Calls for New Forum on Mideast', FT, 5 November 1996.

Introduction

Following Iraq's invasion of Kuwait, both a comprehensive sanctions regime and an oil embargo were favoured by the UN and adopted by the Security Council (SC), initially as a possible peaceful measure to enforce Iraq's withdrawal from Kuwait. Six months later, Kuwait was liberated by a force which devastated Iraq's infrastructure and crippled its economy. Since then, sanctions became the core of the US policy on Iraq and a strategic instrument to ensure Iraq's compliance with America's specific interpretations of UN Security Council Resolutions (UNSCRs).

Following the embargo, Iraq's state controlled and oil based economy crumbled, and the survival of the state economy remains an unsolved mystery. Some concerns about the impact of sanctions on the population were considered in UNSCRs 706, 712 and 986. The UN authorised a limited sale of oil for the specific purpose of facilitating the purchase of Iraq's minimum requirements of food, medicine and other essentials, as well as paying for the UN costs of its Iraq-related program and compensations claims. Iraq is still under systematic UN inspection and monitoring programmes, under no fly zones that cover 50% of Iraq's airspace, subjected to occasional bombardment and remains with frozen assets of its citizens and institutions.

Today, the US continues to lobby and lead the international community in maintaining sanctions against Iraq, but with a context different to that of UNSCR 661 which was adopted six years ago. Iraq is continuing its limited cooperation with UN agencies, and arguing for the total lifting of both the oil embargo and the sanctions. After five years, the government of Saddam Hussain reluctantly agreed to SCR 986, but the limited breakthrough in agreeing the 'Minutes of Understanding' and that on 'the distribution regulations', which were brokered between Iraq and the UN in August 96, was then suspended by President Clinton, in protest against Iraq's recent participation in the Kurdish civil war, and its advances in the northern region.

Recently, the US resumed its support of SCR 986 and Iraq has now accepted all UN conditions on its implementation. The limited sale of oil, the recent withdrawal of US personnel from north Iraq and the on going power vacuum in the Kurdish region, have all given Saddam Hussain a window of opportunity to consolidate his power, well beyond the containment policy.

So far, the US expressed a strong clear commitment to Iraqi sovereignty and territorial integrity, but its policy on sanctions is having the opposite effect. Iraq, as a nation, is withering away, crushed by the combined burden of dictatorship and UN sanctions. Also, the use of sanctions as a blanket instrument in controlling Iraq has already proven its ineffectiveness. It is expected that the oil embargo against Iraq will breakdown in

real terms once Iraq implements SCR 986, but the life time of sanctions is likely to exceed that of the official oil embargo by many years. It is also expected that sanctions will continue in a post Saddam Iraq.

The problems of Iraq must not be reduced to that of Saddam Hussain, nor should the solution be reduced to just maintaining the oil embargo. Similarly, the sanction policy must not be assessed in abstract terms; it should be viewed within the context of the overall success/failure of the US policy on Iraq.

Defining the Problem

Iraq, America and many other nations view the problem of Iraq as of significant importance to their interests; and consequently they all seek to improve policies. There is a shared objective in reintegrating Iraq in the international community, the terms of which remain disputable. It is assumed that the international norms can serve as effective mutual grounds for accommodating differences between Iraq and the international community. It is also assumed that there is a collective interest in maintaining stability and peace in the Gulf region.

The case of Iraq implies many overlapping problems; moral, legal, political, economical, strategic and military. Naturally, there have been many conflicting agendas on Iraq by other states, and by many influential pressure groups. Hence it is necessary to clearly define the problem of Iraq and its real causes, and define the main considerations in policy making of both Iraq and the US; differentiate their real policy objectives from the public positions, and assess the rate of success/failure in achieving such objectives.

The United States has been the driving force behind maintaining sanctions, articulating SCR 986, suspending it, brokering a truce between the Kurds, maintaining "operation provide comfort", etc... It's policy, at present, is to pressurize Saddam Hussain, or whoever succeeds him, into good behaviour and enforce Iraq's compliance with all SCRs.

The US policy on Iraq must be debated within both the context of a regional US policy and the behaviour of Iraq itself. The behaviour of Iraq is primarily determined by that of its leadership, and is better understood within the context of Saddam's domestic and foreign policy over the past three decades. Therefore it is relevant to view Iraq's policies since the invasion of Kuwait within its overall behaviour, and assess it accordingly.

The US policy of exclusion must also be debated in terms of its impact on Iraq's political system, economy and regional position. Although sanctions have been effective in holding back Iraq's military threat to the region, they have neither been

effective in influencing the behaviour of the Iraqi leader and his government, nor in changing the dynamics of policy making.

Outlining the Scope of this Paper

The UN policy on Iraq is primarily defined by both the policies of Saddam Hussain and that of the US. However the position of other states (members of the SC, Iraq's neighbours and Europe), play an important but secondary role compared to that of the Iraq-US relationship.

Accordingly, this paper will view the problem within the context of a US-Iraq relationship. It attempts to put the Iraq-US problem in perspective, and offers a critical assessment of the rationale behind the US led policy on Iraq, in terms of both its objectives and its impact. It focuses on the nature of the Iraqi regime, and argues for making a clearer distinction in policy making between Iraq and its leadership. It concludes that prolonging sanctions undermines the stability of the region, without securing effective control over the the potential threat of Saddam Hussain.

It also attempts to assess the relative successes and failures of the sanction policy, as well as its immediate impact, and the long term effects on this region. It outlines the impact of sanctions on the dynamics of Iraq as a whole, and assesses its cost and benefits in political and economical terms.

Background on Iraq's Violations

Iraq's violations of international laws and norms occurred well before the invasion of Kuwait on the 2nd of August 1990. But the world's reaction in general, and that of the US in particular, to previous Iraqi violations has been detrimental in shaping current Iraqi foreign policy.

Iraq's perception of international norms are not defined by international charters, but rather by the international reaction or tolerance to the behaviour of other member states. In the 70's, members of Iraq's diplomatic missions in France and Britain were directly involved in assassinations and political murders. This problem was then contained through negotiations. Since then, the leadership in Iraq has not resumed to international terrorism and/or violent acts in the above countries.

In the 80's, Iraq's violations of international norms within the region became more obvious but attracted little reaction. On the 22nd Sept 1980, Iraq invaded Iran in response to its claims over border hostilities in a war that lasted eight years. In 1984, it was reported that Iraq used chemical weapons against Iranian troops, and later against

its own Kurdish citizens in 1988. Neither incident threatened world peace, or the stability of the Gulf region, and consequently, they did not provoke effective responses from the international community. Apart from the use of gas against the Kurds, Iraq was not even condemned for these violations.

In real terms, Iraq benefited from its aggression in the 80's and was given financial, technical and logistical support in its war against Iran. Consequently Iraq became a major military power in the region. The US removed Iraq from the list of states sponsoring terrorism in 1982, restored its diplomatic relationship in 1984, and provided Iraq with logistical and financial support in 1986. Iraq's gross violations of human rights were well monitored by many independent groups, including the US State Dept, but they were considered to be an internal matter, and were not of concern to the international community; consequently they did not factor in the US policy on Iraq.

Iraq's regional policies were shaped by both its aggressive expansionist behaviour, and the reactions of the international community, especially that of the US. Iraq's diplomatic experiences in conducting the war with Iran, shaped both its foreign policy, and its decision making processes. Amongst other reasons, Iraq's ability to manipulate both western hostility against Iran to its own advantage, and Iraq's geopolitical position, gave it the confidence to venture further in the region. Saddam's decisions in the Gulf war, and since the ceasefire, were strongly influenced by his previous working relationship with the US during the Iraq-Iran war.

Throughout the 80's, the UN lacked the political will and power in its reaction to Iraq's violations of human rights, its use of chemical gas and its aggression against Iran. Other practices in the region such as the Israeli invasion of Lebanon in 1982 and the annexation of the occupied territories, also served to define the de facto norms of conduct of the Iraqi government. The UNSC structure, and the political balance between the Eastern and Western blocks at that time, made it impossible for the UN to pass enforceable resolutions, and/or to authorise the use of force against member states. The human rights issue was of less concern, since the UN deals with all its members, including Iraq, as sovereign states, and does not interfere in their internal affairs.

Throughout the oil boom years of the 70's and the war of the 80's, the leadership of Iraq has experienced the power of trade and commercial interests in policy making in many industrial states, including the US and Britain. Iraq developed strong commercial ties with main western industries, especially the arms trade and banking. It also cooperated with western intelligence agencies in confronting radical groups of Middle-Eastern origins. The growth of such working relationships with many western countries was not affected by Iraq's record on human rights violations, the advancement of its military, the invasion of Iran and the use of chemical weapons.

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US Regional Policy

Following its historical presence in the Gulf region, the British Government withdrew in 1971, and the US gradually moved into the region and assumed the responsibility of its security. Its trade with the Gulf increased dramatically and was assumed by President Carter as an area of vital interest to the US, which would be defended by force if necessary. Initially, the US depended on both Iran and Saudi Arabia as its twin allies in the Gulf. It saw Iraq, with its close ties with Moscow and its radical ideology, as a threat to the region. So far, the threat to the flow of oil continues to come from within the region. Saudis used oil to pressurise the US in 1973 and Iran,the US policing power in the Gulf, fell in the hands of the radicals in 1979.

In a short period of time, US policy makers looked to Iraq as a counter balance to the Iranian threat. The pragmatic leadership of Iraq was allowed to project itself to fill the power vacuum in the region. The Iraq-Iran war was funded by the Gulf states and was discretely supported by western governments, on the assumption that Iraq is less of a threat to the Gulf security than Iran. Iraq's gross violations of international norms, both at home and abroad, were ignored and its development of WMD were unchecked.

Invading Kuwait

On the 2nd of August 1990, Iraq invaded Kuwait and annexed it as its 19th province. It argued its legal position on historical grounds, and attempted to assure the industrial world, especially the US, that it intends to preserve the flow of oil and play a bigger part in the security of the region. In view of Iraq's military capacity, its ambitious leadership and its established record of violations of international norms, the US did not trust Iraq promises. In the past, the US tolerated the annexation of northern Cyprus by Turkey and the Arab territories by Israel. Iraq's violation in 1990 was of a more serious nature, and took place in a different political climate. The collapse of the Soviet Union made the US the dominant super power. The annexation of a small oil producing country in the Gulf, by another big country, posed an immediate and direct threat to America's vital interests and was a cause of instability of the Gulf region.

The US achieved a broad international consensus, and led the world in its war campaign against Iraq. A series of UNSC resolutions condemned Iraq, imposed sanctions, froze its assets and demanded Iraq's withdrawal under chapter 7 which authorised other members of the UN to use force against Iraq. Four months later, a war broke out between the US led allies of 30 nations, and Iraq was forced out of Kuwait. During the war, Iraq neither resolved to international terrorism, nor did it use any of its weapons of

mass destruction, WMD. However, it fired missiles on Israel, and on its withdrawal, burned Kuwait's oil wells.

Following the cease-fire on the 28th February 1991, an uprising swept Iraq and took 14 out of 18 provinces out of government control. A few days later the Iraqi army conducted wide scale operations quash down the revolt. This was carried out under the Allies watchful armies deep inside Iraq. Nearly one million Kurds fled to the borders and posed a serious refugee problem. This led to another set of measures by the US declaring a safe haven, and a no-fly zone in the north. The UNSC also passed an unprecedented resolution which called upon the government to cease the repression of its citizens (UNSCR 688).

Iraq's On-Going Violations

The annexation of the State of Kuwait was not that far from the norms of Iraq's behaviour in the 80's. In fact, its conduct in the second Gulf war was relatively more restrained, compared to that of the Iraq-Iran war. Saddam neither used his weapons of mass destruction in the Gulf war, nor did he resort to international terrorism, both of which he was highly capable.

Iraq failed in its attempts to reconcile its expanding power with policing western interests. By now, Saddam Hussain, and his inner circle, acknowledge that the annexation of Kuwait was a misadventure based on gross miscalculations. Since the end of the war, Iraq has not careful not to violate international norms of behaviour, but she has been resisting many intrusive and enforceable UNSCRs which violate its own sovereignty. The treatment of Iraqis by Saddam's government is worse than ever, but this remains well excluded from the concerns of the international community.

The US ignores Iraq's limited compliance with UN resolutions, and continues its campaign to demilitarise Iraq, and prevent its recovery under the present regime. Despite this, Iraq continues to assume that the US response is defined by its interests, and not by Iraq's violations. Under Saddam's leadership, Iraq invaded both Iran and Kuwait, used chemical weapons and continues to challenge UN inspection teams . His recent policy of limited intervention in the Kurdish region did not challenge the US presence in physical terms. Whilst criticising the cruel US policy on Iraq, Saddam's deputy, Tariq Aziz, continues to make public statements about Iraq's desire to open a direct dialogue with the US. Iraq's acceptance of all conditions related to SCR986 was assumed by it's Foreign Minister as a signal for better ties with the US.

The regime is still waiting for a better political climate, and expects favourable changes in both regional and international balances of power. Saddam continues to exploit Iraq's

geopolitical position in the region as a counter balance to Iran. He also continues to exploit Iraq's potential role to stabilise the peace process by accommodating the remaining Palestinians refugees.

Iraq has been willing to further mortgage its oil reserves and pre-sign deals with oil companies and other industrial groups. Consequently, this may bring pressure to bear on respective governments to end Iraq's isolation and open its markets. Iraq continues to tempt western countries in future deals in a post sanctions era. The long isolation and the depreciating Iraqi national assets are perceived by many companies as a lucrative market in the near future.

The Public Debate

The sanctions regime was neither intended to overthrow Saddam, nor protect human rights in Iraq. For over 5 years the UN made the disposal of Iraq's arsenal the main condition for lifting sanctions, while human rights abuses were ignored. During the Gulf war, the Allies used excessive force with very high causalities, so as to cut Iraq's army down to size(1). They frequently used force to ensure Saddam's cooperation with UN inspectors. More than 300 UN weapons inspection teams were sent to Iraq to secure compliance with SCR715. But neither the UN, nor the US showed similar concern over the human rights and humanitarian needs of the Iraqi people. UNSC 688, which was passed in view of a refugee crisis on the Turkish borders, was not mandatory and can not be imposed on Iraq. UNSC 986 is mandatory, but neither Saddam nor the US, were in a hurry to implement it. Hence, the US public claim to maintain sanctions, either for the purpose of protecting Iraqis from Saddam, or under the pretext of Iraq's defiance of SCR688, could not be taken seriously.

The real policy debate on Iraq is about the commercial interests of respective countries, the balance of power, stability and security of the Gulf region. However, the wider public debate on the US led sanctions against Iraq is based on legal, moral and political arguments, which are carried out by many countries and diverse pressure groups. The most important debate remains that of the governments of Iraq and the US. The position of millions of Iraqis caught between the two, is of little relevance to policy makers of either government.

Moral arguments on sanctions and the violations of human rights are used in the statements of both the US and Iraq. Their sole purpose is to apportion blame and put pressure on each other. It is highly unlikely that either side considers moral issues in their respective policies on sanctions, but morality is relevant to policy makers only in as much as it influences public opinion and shifts pressures from one position towards the other. However, human rights groups and humanitarian agencies, have been exerting

pressure on both Iraq and the US as violators of human rights. They argue that violations are not only in the abuse of civil and political rights, but also in the abuse of the right to food, education, health and livelihood.

Legal arguments, and the interpretation of UNSC resolutions are heavily influenced by political judgments and conflicting agendas of UNSC members. At present, the mechanism of lifting sanctions can be vetoed by any member of the UNSC and hence, legal arguments are irrelevant compared with the political agendas of respective countries.

The US public policy is focused on the dangers of Saddam Hussain; the strategic threat to the region and to the world; the practices of his regime and the legitimacy and necessity of the sanctions policy. The US public policy was stated by Martin Indyk "to establish clearly and unequivocally that the current regime in Iraq is a criminal regime, beyond the pale of international society and, in our judgment, irredeemable". It is also focused on the illegitimacy and unpopularity of Saddam, and the extent of his human rights violations. Iraq's public campaign is focused on the suffering of the Iraqi people, and the violation of Iraq's sovereignty. It focuses on the conspiracies to weaken or divide Iraq, and argues that the future of Iraq is linked to Saddam's leadership.

Updating the US Policy on Iraq

Following the invasion of Kuwait, the US set two objectives; To reverse Iraqi aggression, and cripple Saddam's offensive military. Although it hoped for a change in Iraqi leadership following the military defeat , the US did not have the objective of overthrowing Saddam's regime. The US feared that a power vacuum in Iraq would have forced the Americans to occupy Iraq against public opinion, or have Iran to fill it threatening vital national security interests. Getting rid of Saddam would not solve the problem, nor would it necessarily serve the US interests. The follow up pressure policy on Iraq, aimed at ensuring that Iraq could not and would not once again threaten the US vital interests.(2)

The above policy was inherited by the Clinton Administration, but was modified further through the concept of "Dual Containment" in view of both the post-cold war and post-gulf war positive political climate. It assumes both Iraq and Iran are hostile to US interests but avoids balancing one against the other. It pursues an overall favourable balance of power in the Gulf without depending on either Iraq or Iran. It calls for the isolation of both Iraq and Iran, reducing their regional roles and maintaining the security in the Gulf through a more assertive GCC-US military presence in the region.(3)

Stability is assumed by US policy makers in keeping Iraq weak and cutting its army to to size. So far, the US policy on Iraq has been to contain its military threat in the Gulf region. The US deployed a powerful military force in the region and pre-positioned equipment with proven plans and bilateral security relationships with some Gulf states.(4) The policy avoids weakening Iraq to the point of division, destruction or collapse. A power vacuum will not be tolerated under any circumstances, and the United States has positioned itself in case of a sudden change on the scene.

A change in leadership is a desirable outcome, but a weak Saddam Hussain is a better choice than a chaotic Iraq. However, the US neither has plans nor commitments for intervention to bring about a change in leadership. In the past four years, the US dismissed a number of opportunities to bring an end to Saddam Hussain because it feared the consequences. It did not seek his downfall prior to ending the war in February, 1991; it allowed the Iraqi army to crush the uprising in March 1991; it dampened initiatives to hold a war crimes tribunal following the Gulf war; and it halted military operations by the Kurds to confront the Iraqi army. However, there have been several failed coups by army officers which led to a systematic cleansing of suspects. Iraqi opposition leaders have publicly criticised the hesitant US officials in supporting coup attempts against Saddam(5). Recent leaked CIA reports confirm that the US was planning a limited intervention, and offered logistical support to help a military coup.(6)

The US is now solely dependent on an 'indefinite sanctions' policy against Iraq as its main leverage to achieve its objectives. However, the US continues to seek more leverages and options. Under pressure, Saddam might eventually comply with the US demands, but it is not realistic to expect a change in his behaviour. Depersonalising the sanctions policy has meant that the lifting of sanctions depends on Iraq's full compliance with all UN resolutions. At the same time, it is unrealistic to expect that the US will lift sanctions for as long as Saddam Hussain is in power. At present, Iraq's compliance with UNSCRs is assumed as a tactical response in order to secure the lifting of oil sanctions. The US measures of enforcing the mission of UNSCOM through retaliatory punishments, deterrence and prolonging isolation are met with an Iraqi response of cheat and retreat. Washington assumes that Saddam will renege on long term monitoring and begin rebuilding his WMD and hence, not only calls for full technical compliance with all UNSCRs, but demands that Iraq continue to comply indefinitely.

There have not been any indications that the US would automatically lift sanctions if Saddam were to be removed from power. America does not only look at containing Iraq under Saddam Hussain, but perhaps containing it post-Saddam Hussain. The US definition of Iraq's compliance with UN resolutions, gives it leverage to force present

and future Iraqi governments to yield to the will of the US. For example, a future elected Iraqi government in a post-Saddam era would obliged to agree with US policies because of its sanction leverage on Iraq.

Supporting the Opposition

The opposition in exile could play a critical role in future Iraq but remain unable to oust Saddam Hussain. During the 80's, the State Dept prohibited any official meetings with Iraqi opposition groups in order not to offend Saddam Hussain. Such prohibition was removed in 1991, and meetings of the Iraqi opposition with US officials led to the high profile recognition of the Iraqi National Congress (INC). The US support for the INC was part of its public policy aimed at maximising the pressure on Saddam Hussain. Later, the INC agreed to work with US agencies in North Iraq. This close association with US agencies and its failure to differentiate its policies from that of the US, led to the INC's loss of credibility amongst Iraqis. The US makes a gesture of concern to the plight of Iraqi people by acknowledging the need for aiding the Kurds to reconstruct their lives in the North, and by supporting the US funded opposition group, the INC.

Assessing the Achievements

1- Recognising Kuwait: It was war, not sanctions that forced Iraq to withdraw from Kuwait. The grim prospect of an indefinite oil embargo forced Iraq to recognise Kuwait's new borders and its sovereignty. However, in view of the nature of the Iraqi regime, the meaningful credibility of such recognition is questionable, and the US continues to underwrite this through its direct military presence.

2- Iraq's nuclear threat has been halted, and is now closely monitored by AEIA. There is no reason to assume that lifting the oil embargo would enable Iraq to develop a nuclear programme in the near future.

3- Iraq agreed to the placement of long term monitors of its military industry under UNSCR 715. However, the poor and partial compliance of Iraq with UNSCOM was highlighted in the eighth, ninth and tenth reports submitted to the UN in the period October 1995- October 1996. After five years of scrapping weapons of mass destruction, WMD, with 373 missions and 3574 inspectors at a cost of $120m. Iraq is still hiding a small supply of highly sensitive stock. It has failed to account fully for some missiles and small amounts of chemical and biological agents. Iraq was accused by the Special Commission of deliberate attempts to conceal its data and stocks. Although UNSCOM has destroyed most of Iraq's billastic, chemical and biological weapons, it is unlikely to give Iraq a clean bill of health. Due to the relatively simple

technology needed to re-make biological weapons, Iraq is capable of developing such strategic weapons, with or without the oil embargo.

4- Iraq's conventional weapons have been reduced to a small fraction of its pre war level, but Iraq's army continues to have an effective impact both within Iraq and along the Kuwait borders. Iraq's military movements within its borders in October 94 and September 96, led to a costly US military build up in the region. Iraq's army succeeded in drying the Marshes in southern Iraq under the watchful eye of the Allies air force and in tilting the military balance of one Kurdish group towards the other without an effective US deterrent. Iraq managed to rebuild its surface to air missile network in southern Iraq within the two weeks of the US raids that destroyed them last September. In view of Iraq's limited, but effective use of its army over the past five years, the removal of the oil embargo will revive the threat of its conventional weapons.

Set Backs

1- So far, all attempts to change the leadership of Iraq, without risking destabilising the whole country has failed to materialise. Neither the defection of Saddam's son in law nor the sympathetic stands of King Hussain of Jordan materialised as a viable alternative. According to many press reports and un-named official sources, the US funded covert operations. The US also offered on site logistical support to the Iraqi opposition in support of a palace coup. The recent collapse of the Iraqi opposition in North Iraq, the evacuation of 8000 collaborators, the withdrawal of US operators and the confiscation of sensitive files by the Iraqi intelligence have seriously reduced the chances of a successful planned coup. Maintaining the embargo might lead to changing the leadership but only through a total, abrupt and violent collapse of the whole regime. Relaxing the oil embargo would marginally strengthen the regime but it would significantly improve the over-all conditions. this would not necessarily reduce the possibility of a future changes in the leadership.

2- The US policy neither encourages the Kurds to return to the central government of Baghdad, nor does it support them in establishing a de facto independent state. It is concerned about the growing influence of Iran, and the continued fighting between the Kurds. The possibility of $600m oil revenue to the Kurdish region, as a result of Iraq's acceptance of SRC986, led to a vicious confrontation and involvement of both Iraq and Iran in the Kurdish civil war. Any partial lifting of the oil embargo will either lead to further in fighting between the KDP and the PUK, or to the establishment of a strong Kurdish government. The security of Turkey, a member of NATO and a strong ally of the US has been threatened by the on-going power vacuum in Iraqi Kurdistan. The US

policy has neither contributed to the security of Turkey, nor has it excluded the influence of Iraq and Iran in the region.

The View from Baghdad

International laws and norms do not make legal distinctions between the regime and the State. Consequently, the State of Iraq continues to be represented by Saddam Hussain's government. However, policy makers should make a clear distinction between policies dealing with Saddam and those dealing with Iraq.

The State of Iraq has been led by Saddam Hussain since 1979. Over the past 28 years, he has been central in developing the main organs of power and consolidating them on a narrow tribal base to the exclusion of society. The well being of the country is of value, only in as much as it contributes to the principle of power. Consequently, the concerns of Saddam are different from that of Iraq on many issues, i.e sovereignty, sanctions, MDW, etc... Saddam has already compromised much of Iraq's sovereignty for the survival of his regime. He gave away sovereignty over the Shatt al-Arab to Iran, and agreed to Turkish military operations on Iraqi territory. He also accepted many intrusive UNSC resolutions, and accepted the allies plans of a safe haven zone in the north and a no-fly zone in the south.

The Leadership

Saddam is a pragmatic leader with a simple objective - holding and expanding power at any cost, short of self destruction. His mission is to dominate weaker powers, and respond to any challenge to his expansionist policies. His imperial ambitions are restrained with nothing, other than the real risk of losing power. His projection of power is backed by a limited use of force to achieve specific objectives during each phase. It is worth noting that Saddam Hussain loaded his missiles with WMD during the Gulf war but did not use them. He was, and still is, capable of launching international terrorism, but has not done so. He could intervene further in domestic and neighbouring affairs but chose not to at the moment. Saddam thrives on crises and most fears an open society with secured civil liberties. A survivor of two wars, he seems incapable of implementing reforms despite opportunities to do so in the past.

The leadership of the Baath party which has been ruling Iraq since 1968 is defined by a narrow group of shared tribal loyalties. In 1963, this group experienced a disastrous loss of power, and accordingly learnt many lessons. Their strategy has been to preserve power at any cost, expand and exert complete and thorough control over both the State and society. Their legitimacy is derived from a self proclaimed national mission. Their

authority was established through the use of both force and the oil wealth. The Baath uses force as its main instrument to implement its expansionist strategy. It uses the State to confront society at large, and consequently imposes itself on Iraqis. Similarly, it plays different communities and institutions against each other, with the ultimate objective of a collective obedience. The complex power structure of institutions is complemented by a parallel tension structure within Iraq's inner communities, which serves the overall objective of the leadership.

The leadership today is effectively defined by Saddam Hussain who survived both Gulf wars, and has been in office more than any other leader in Iraq's modern history. He takes all strategic decisions, holds constitutional power and supervises the security of the regime. His decisions are endorsed and implemented by the Revolutionary Command Council, The Baath Party, the Government Cabinet and the National Assembly. His power is derived from his grip over a complex pyramid of security organs operating within the state, the army and the Baath party. Over the past three decades, the leadership has remoulded Iraqis into a new life and repositioned them within its grand plans. For example, the Iraqi army had only four divisions in 1970 but by the end of the Iraq-Iran war it had 81, and the Baath party grew in membership from 300 on the 17th of July 68 to more than a million in 1979. The power structure in Iraq was of a mass based autocracy in a modern state, and the populist nationalist outlook of the leadership is a necessary justification of its practices. (7)

Pillars of Power

The fabric of authority and power in Iraq constructed by Saddam during the boom years of the 70's, was successfully adjusted in the Iraq-Iran war of the 80's and later after the Gulf war. It is remarkable that the regime upholding Saddam's leadership has been able to cope with the effects of prolonged isolation, two humiliating defeats in the gulf war and withstand such internal and external pressures.

The growth of the Iraqi army, and the development of many security agencies are both indications of Saddam's outlook to power. In addition to the clan, Saddam rules through the Army units, Baath organs and the four security organs: the Mukhabarat (intelligence), Amn (General Security), Military Intelligence and Special Security (Saddam's special hand-picked guards). Additional security layer were developed since the Gulf war to include a rapid deployment force against further rebellions and a neighbourhood-based Baa'th Party militia organization. Such organisations were established to maintain control in city quarters and towns, with a wide mandate and virtual impunity of action. A seventh one known as Fadiyuo Saddam which is used as a propaganda of terror to quash any rebellion in Baghdad.

The Impact of the US policy on Iraq's Power Structure

1- The policy has isolated the leadership even further from the majority of Iraqis, but without the emergence of an alternative. Saddam now runs the country through hand-picked members of his family with high risks of loosing control over them. Sanctions have also forced the inner core circle of the regime to adopt a defensive strategy. However, the singling out of Saddam Hussain as the chief target of the US strategy for change in Iraq had an opposite effect. It was not simply the future of Saddam which is in jeopardy, but also the future of all those who depend upon him and had been associated with him during his rise to power. The prolonged sanctions have given the regime a very real reason for the siege mentality which they adopted in their conduct of politics. Consequently, this has made the prospect of the disbandment of Saddam Hussain harder.

2-The US policy hardly influenced Iraq's strategy in the Gulf. Iraq continues to assume that the main US concern, stability in the region, may be accommodated through pragmatic deals and mutual exchanges of benefits. Iraq is confident that the US will not risk the inevitable post-Saddam chaos. Iraq continues to see its role in providing stability and assumes that the US has no interest in promoting a power vacuum in Iraq, expanding Iran's influence in the Gulf or destabilising Turkey through consolidating a Kurdish State. Iraq's war over Kuwait has not yet marginalised its previous experience of US support during the Iraq-Iran war, the later continues to shape its strategy.

3- Sanctions have weakened the Iraqi society, state and army. However, it deprived the regime from its WMD and disabled it from carrying out further aggressions against its neighbours. It has not reduced or undermined the functions of its main power organs, nor has it altered the fabric of authority. The regime found power in the additional dependency of its people on the ration system, and used their needs to reassert its authority over society as a whole.

4-The defection of diplomats, army officers and key personnel of security organs is still very small compared to the size of the Iraqi state. The most serious defection was that of the sons in law, but this was due to a family feud, and ended in the brutal executions following their return to Baghdad.

5-The regime has shielded itself from the impact of sanctions. The personnel of security organisations, special army units, militias, Baath operators, statesmen and members of key institutions are the leadership's most important assets. These groups are protected from the effects of wars and sanctions.

6- The regime has adjusted to living under sanctions through cleansing its organs from potential defectors, developing new organs of terror, projecting harsher measures to

control the starving population, successfully reducing its subsidy burdens, finding channels for illegal trade, rebuilding its conventional army, re-developing its military industries, and many other aspects of long term adjustments.

7- The leadership is utilising the wide spread resentment of sanctions on Iraq. To some extent, it has revived the Baath propagated myth of a destined national leadership; i.e that Saddam alone is able to maintain the Iraqi political entity and provide its security. The majority of Iraqis are convinced that the destruction of Iraq, with or without Saddam, is the ultimate objective of the US led policy. This assumption shifts Iraq's attention from the domestic problem, Saddam Hussain, to the external challenge of an international conspiracy.

Impact on Iraq

The thrust of sanctions have been borne by the urbanised middle classes, with serious loss of income and deterioration of their standard of living. The collapse of the Iraqi dinar, the lack of services and the bleak prospect ahead led to a continuous flow of immigrants in search of a better life. For the rest of the Iraqi society, sanctions have led to the atomization of the social fabric on one hand, and the re-emergence of tribal ties and loyalties on the other. As a result, society is more polarised and divided on ethnic, religious and tribal lines. In the short term, this has made society more manageable in the hands of the regime, but in the long term, this will contribute to the underlying instability of Iraqi politics as a whole.

The Economy

The economic consequences of sanctions can not be clearly separated from that of the Iraq-Iran war and the Gulf war. The two wars cost Iraq $230 billion of destroyed assets and incurred debts over $100 billion. Also, Iraq's essential needs to run the ordinary functions of the government, in terms of investment and development, is about $10 billion a year for the next 15 years. Even with an optimistic estimate of $300 billion oil revenue for the next 15 years, there is a resource gap of $600 billion. (8). The Iraqi dinar exchange rate stood at $3 in 1980, $1/4 in 1990 and reached a low of 3000 ID to the dollar. Following Iraq's acceptance of the oil for food deal, the value of the Iraqi Dinar (ID) jumped overnight to 700 ID to the dollar and later fell to 1500. The average income of employees in the State run economy is 3000 ID, and that in the private sector is 5000 ID. However, the majority of registered citizens receive subsidies in monthly food rations, that stand well below subsistence nutrition levels.

Socio-Political Developments

A High crime rate, corruption, prostitution and other indicators of social illnesses, show clearly the negative impact of sanctions on Iraq at large. However, this does not pose an immediate threat to the regime. Harsh punishments, including the amputations of limbs, branding and capital punishment for minor crimes, were adopted in the face of emerging lawlessness. The Baath government, which secured stability at the cost of freedom in the past, is now unable to provide either.

Impact on Public Services

Iraq's economy is both oil based, and state controlled. Hence the basic needs of the population, and most aspects of public services in Iraq, have been damaged by the loss of oil revenue. The state's ability to provide services and acceptable standards of living have been dramatically diminished by its lack of access to oil revenues. UN agencies have reported a serious decline in the level of education, health, water purification, sanitation, etc..(9) . The serious conditions inside Iraq are well documented, and were brought to the world's attention by many independent groups and observers. Children in particular are most vulnerable; there has been a serious increase in child deaths and illnesses.(10) It is difficult to assess , in accurate terms, the impact of sanctions on Iraq. This is due to variations in living standards in different areas of the country. Also, there are difficulties in differentiating the impact of economic sanctions from that caused by previous wars and other economical problems.(8)

Hidden Income

Iraq has become more dependent upon its agriculture, especially in the Kurdish provinces. The local economy is supported by the ex-patriots who transfer an estimated $500m per year. Also, Iraq pays some of its debts to Jordan in crude oil, sells oil to the UN agencies and illegally sells small quantities of oil through Turkey and Iran. However, neither do these measures account for Iraq's total sources of income nor to its adjustment to sanctions.

International Aid Programmes

International Relief organisations offer humanitarian aid in areas hit by natural disasters or war torn countries, but they are not fit to sustain their long term needs. Many nations argue that an alternative solution must be found, based on both the wide scale of the humanitarian needs of the 20 million Iraqis, and the country's ability to pay through its oil sale. The lack of funding donors to the humanitarian aid programme has been a major concern of the UN. In March 96, the UN Dept. of Humanitarian Affairs budgeted a $340m to assist a target beneficiary population of two million over a period of 12

months. In May 96, UN-DHA appealed for $80m to meet the most pressing needs before the implementation of SCR986. However, the appeal was delayed in view of the on going negotiations on SCR986. The on going political conflict between Iraq and the US, and the conflict amongst Iraqi Kurds frequently hindered both the implementation of SCR986 on one hand, and the vital aid programmes, on the other hand.

Debating the Policy

In general, the US day to day policy on Iraq, following the Gulf war, has been reactive. It is governed by short-term considerations, and a crisis management approach. The current US policy may be summarised in the following; it supports Iraq's unity and territorial integrity, avoids destabilising the regime, prevents the emergence of a strong Iraqi state under the present leadership, checks that a weaker Iraq does not alter the regional balance of power in Iran's favour, does not commit American troops on Iraqi ground and maintains that the cost of the US military presence should be paid for by Gulf states. It assumes that the regime can not break the containment, that the international support of the US policy should be sufficient to carry it through and that the pressure groups acting against the heavy cost of the human tragedy in Iraq would not influence policy makers.

Although the policy has been clear in stating its objectives, it has not been as clear on means of achieving them. At present, the policy reduced the conventional might of the Iraqi army and restrained some of its aggression but it has failed to influence the behaviour of the regime or change its leadership but it has harmed millions of innocent Iraqis. The continuation of sanctions in such broad terms has had a negligible impact on the leadership. It does not eliminate the risk of Iraq's development of biological weapons, its ability to destabilise the region and its ability support to international terrorism. Moreover, it has weakened Iraq and brought it much closer to a future civil war and probable breakdown.

Saddam Hussain has been the master mind behind the present regime in Iraq, and he has ensured that its continuity is linked to his leadership. All attempts to topple him from within the regime have failed, and the inevitable price of his departure would mean the collapse of the whole regime. Moreover the regime is neither capable of reforming itself, nor modifying its expansionist policies. The leadership is pragmatic enough to restrict its aggressive behaviour, only in as much as its serves its long term interests.

The regime's survival capabilities, its crisis management, its constant adjustment and its stability against all the odds, may appeal to many policy makers as a positive rather than a negative aspect of the regime. However, this must be weighed against the other

aspect of the regime's behaviour which is to seek expansion, project its power and keep the region constantly under tension.

It is misleading to assume that the fundamental aggressive behaviour of the regime can be modified or contained. It is also misleading to assume that the long term sanction policy on Iraq is effective or risk free. A change in leadership can not take place without a serious risk of the regime's breakdown. This would mean risking a civil war with foreign involvement. The US fears a future power vacuum in a post Saddam era and hence resists attempts to destabilise the regime. A bloody struggle for power in Iraq, that draws in other regional actors, is the worst case scenario for American policy, and one is least addressed at the moment. The balance of power in the Gulf region will change fundamentally with the breakdown of Iraq. The US policy is neither sustainable, nor sufficiently clear on alternative measures.

Other serious flaws of the policy on Iraq are that it does not make a sufficiently clear enough distinction between the regime and the country; its inability to deal with change in Iraq. It assumes that the status quo on Iraq can be maintained indefinitely with effective sanctions also being maintained on the regime. No long term security arrangement can be effective by excluding Iraq and Iran, which represent more than 80% of the Gulf population.(11)

The long-term stability of Iraq, a country of strategic importance to the stability of the Gulf, is weakened by both Saddam and sanctions. Policy makers have to compromise or weigh short term stability against that of the long term. It is debatable whether it is less risky in the long-term for the region to seek stability through a change in government in Baghdad, rather than to restrain Saddam's leadership through sanctions. Saddam has survived the war, the defeat, the uprising and the six years old international isolation and sanctions. In view of the above, there is neither a prospect for better behaviour by Saddam nor a possible lift of sanctions while he remains in power.

Recommendations

Iraq is critical to the stability of the region and its exclusion can not be sustained indefinitely. The strategy should neither be to isolate the whole of Iraq, nor simply to box the regime inside. Lifting the oil embargo will enhance the regime and is unlikely to accelerate Saddam's downfall. However, relaxing sanctions will rescue Iraq from an inevitable breakdown. In view of the complex nature of the problem, the policy should move from the simple notion of containing Saddam's threats in the short term, to that of a complex and diverse approach towards changing the regime in the long term. The goal must be to force the regime to retreat from within, and this requires adopting a series of

measures that complement each other. Interaction measures must complement isolation and intervention measures.

1- Iraq's military development must remain under UN inspection with more developed monitors.

2- Iraq must be allowed to reconstruct its economy and rebuild its infrastructure. The oil-for-food agreement should be used as a model to allow further agreements in oil-for-development deals. Iraq must not be allowed to sell oil for the purpose of rebuilding its army.

3- A clearer distinction in policy must be made between the people of Iraq and the regime. Support must be given to expand the opportunities for Iraqis to rebuild social and political institutions. Support for the Iraqi opposition must not be narrowly defined in terms of covert support to Iraqi groups which collaborate with US agencies. The most challenging aspect of the policy on Iraq is to provide a critical input to both social development, and to support the evolution of an open political system of broad participation.

4- The policy must seek to isolate Saddam, hold him accountable to international law, and support initiatives to accelerate his downfall. The regime's treatment of its citizens must be kept under UN monitors and Saddam's firm grip over the country must not be supported. Iraq must be both pressured and rewarded in order implement SCR688.

5- Iraq, the state and society, must be strengthened to avoid the risk of a breakdown or total collapse. The regime may benefit from measures designed to preserve Iraq's strength in the short term, but such measures need not necessarily be the key to its survival or revival.

6- Sanctions should be directed against specific segments or industries and of minimal effects against the most vulnerable social groups. Sanctions should not punish those who were least capable of correcting situations. Clear humanitarian margins should be established.

7- Regional security agreements must underwrite Iraq's territorial integrity, and the security of its borders. Parallel political initiatives should aim at minimising any possible future intervention from either Iran or Turkey. Further regional consultation and cooperation on the future of Iraq in a post Saddam period, must aim to prevent regional involvement.

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Comment

Sanctions and their Effects on Iraq

Prepared by General Mohammad K. Shiyyab

Frankfurt, 14 December 1996

Five years after the Second Gulf War, the whole region is still grappling with its legacy. The economies of the rich countries of the area remain hostage to huge foreign debts. But this by far is not the most painful consequence of the Gulf War. The most agonising consequence is the suffering and the indignation with which 18 million Iraqis are still living.

The most severe Security Council Sanctions in history have failed to dislodge the regime of President Saddam Hussein. However, they have had a devastating impact on the most vulnerable sectors of Iraqi society, especially children, who suffered from increased malnutrition and diseases, leading to the death of hundreds of thousands of children under the age of five since 1991.

Several attempts have been made to topple the regime, but they all failed, partly because some opposition factions have been infiltrated by Iraqi government agents and partly because of the absence of any significant political and material support from outside. The failure of the Arab regional powers to take a common stand on Iraq and their unwillingness to get involved in its internal affairs is another consideration. Further, there is no political will inside the United States and its western allies to intervene in Iraq.

Meanwhile, many Iraqis believe that some western and regional states want the present Iraqi regime to stay in power as the best means of marginalizing Iraq and preventing it form realizing its great potential. Iraqis are still uncertain about the aims of the United States and its allies regarding post-Saddam Iraq.

Having said that, however, I shall now highlight some points which came out in the excellent paper presented by Dr. Laith Kubba. Dr. Kubba pointed out that "sanctions against Iraq have neither been effective in influencing the behaviour of the Iraqi leader and his government nor in changing the dynamics of policy making". I believe this is not the case now. We all saw new thinking in Baghdad, leading to the disclosure of hidden details of the country's secrete weapons programme in late 1995 following the defection of Hussein Kamel and his brother. But the United Nations Special

Commission and the powers at large do not seem to acknowledge the change in thinking in Baghdad.

We cannot but reiterate that the powers that control the working of the UN Security Council should spell out in clear terms what they expect of Iraq. The condition for lifting the sanctions on Iraq is Baghdad's compliance with United Nations Security Council Resolutions then it should be made clear and undertaken without any ambiguity that sanctions will be lifted immediately after Iraq meets these conditions. So, what we need is clarity from those powers. As long as clarity is missing from their approach to Iraq, the suffering of the Iraqi people will continue.

Furthermore, I disagree with Dr. Kubba on the issue of Iraqi society when he stated that "it is more polarised and divided on ethnic, religious and tribal lines". In fact, the ethnic differences between Kurds and Arabs in Iraq is not new. Any new Iraqi government must conclude an agreement with representatives of the Kurdish people for the establishment of an autonomous Kurdish region in northern Iraq. It is not difficult to satisfy most of the Kurdish demands because there are no deep rooted antagonisms or historic feuds between the Arabs and Kurds in Iraq.

In addition, the division of the Arab population of Iraq between Shias and Sunnis is an artificial one and of negligible importance ; the tradition of secular nationalism is very strong in Iraq and will remain so for the foreseeable future. A rich country with an educated and hard working people, Iraq, under wise and enlightened leadership can make a significant contribution to peace and stability in the Middle East. Generally, no long-term security arrangements can be effective by excluding Iraq.

In his recommendations, Mr. Kubba did not clearly specify the measures designed to preserve Iraq's strength. In my judgment, the best measures are those aimed at the rehabilitation of Iraq ; if you wish to see a future Iraq stable, there has to be a professional army ; I am not talking about the internal security forces but rather the professional soldiers. Iraq should be included in a regional security network that also would include Turkey and Iran, beyond the current members of the Arab League. Participants would be required to abide by minimum requirements of abandoning terrorism and interference in other countries affairs, and adopt the necessary confidence and security building measures.

Although we still want to see political change in Iraq, there is a need for a dialogue with Iraq, as was the case with Yugoslavia. So far there is no such dialogue with Iraq. "The policy is all stick, and no carrot"; Iraq has been placed "on the back burner" for the past six years, prolonging the suffering of ordinary Iraqis, destroying the infrastructure of Iraq and allowing regional neighbours to destabalise the country. Such confusion

would encourage greater extremism which could, ultimately, destabalise some pro-western countries in the region.

Let us hope that partial lifting of sanctions against Iraq, will open a window of opportunity for a better situation, and the oil-for-food deal should not be allowed to become a permanent feature of Iraqi economy and overall political scene in the Middle East. The Security Council should not remain hostage to the political designs of any country which might have strategic interests to ensure that the burden of the sanctions remain on the Iraqi shoulders. Such policy could lead to instability and possible disintegration of the state.

To conclude, it is not enough to sympathise with the Iraqi people in their plight and express the hope that one day Iraq will be reunited with the family of nations with its territorial integrity intact and independence preserved. It is highly likely that the sanctions will not be lifted completely as long as the present regime remains in power. This is mainly because the United States and its allies do not have a potential replacement for Saddam Hussein. In addition, the credibility of the Iraqi opposition has been greatly eroded by scandals and inter-group conflicts. Perhaps a fresh start should be made to clean up and unify the opposition. The aim would be to replace the present dictatorial regime with a viable system of pluralistic democracy.

Working Paper

EUROPE, THE U.S. AND LIBYA

Moncef Djaziri

Comment: George Joffé

The Project 'Europe and the Middle East'

The Middle East peace process and the Mediterranean initiative of the European Union have been an incentive for the Bertelsmann Foundation, Gütersloh, Germany, and the Research Group on European Affairs at the Center for Applied Policy Research, University of Munich, to involve themselves intensively with the future of the relationships between the regions south and north of the Mediterranean. The partners co-operated in 1994 to institute the project 'Europe and the Middle East', thereby completing their involvement with various European problems. The project aims to mediate between the two regions, providing concepts facilitating the development of more intensive relationships. At the same time the project is an attempt to build bridges between political theory and practice. In order to formulate constructive policies for the development of intensified transregional relations, the world of politics should make use of academic approaches and concepts. On the other side, academics of political science benefit from contact with practical application.

The basis for the project are the annual 'Kronberg Middle East Talks', at which representatives from science, economics and politics exchange ideas on current topics of Euro-Mediterranean relations. These conferences are prepared by a cycle of workshops, which deal with questions related to international security, economic development and the governmental and social transformation of the region.

Moncef Djaziri is Professor for International Relations at the University of Lausanne.

George Joffé is Director of Studies at the Royal Institute of International Affairs, London.

Introduction

The principle of non-intervention[1] is embodied in the Charter of the United Nations, which severely restricts the right to intervene in the domestic jurisdiction of states. The prohibition was strengthened in General Assembly Resolution 2625, unanimously passed in 1970. It was reconfirmed in the judgment reached by the International Court of justice in June 1986 (Little, 1993: 13). In many occasions and at different circumstances, this fundamental principle was legally violated by the U.S. and the United Nations in many occasions (such as the sanctions against Cuba or South Africa). For its supposed commitment in international terrorism, Libya since 1986 is subject to American sanctions which were reinforced in 1992 by Security Council's sanctions. Since then, Libya[2] is treated as a peripheral and a «paria-state» (Buzan, 1991; Sicker, 1987).

To this regard, and having in mind the perspective of an integrated international community, the Libyan situation raises a principal question: what kind of foreign policy instruments are suitable in order to make possible the reintegration of this so-called «paria-state» into the international community? In order to answer this question, we have to tackle with subsidiary questions: to what extend Libya poses a threat to its international environment, namely regional and sub-regional; how do Libyans use their economic power in a political manner and how is Libya perceived by regional and extra-regional actors; do the misperceptions matter in international relations?

Regarding to the U.S. sanctions, we have to answer the question: what are the effects of the policy sanctions on Libya? More generally, the question of international sanctions involves both «utilitarian considerations» as well as wider philosophical and political questions about the nature of the Libyan state and of the Qadhafi's ideology. In other words, and with reference to the South African example, the utilitarian sanctions

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[1]   According to McCarthy's definition of «intervention», we may consider the U.S. and even the UN sanctions as a kind of intervention: «Intervention, which may be understood as the use of coercion (ranging from diplomatic or economic sanctions to military intervention) by a state or a group of states against another with the intention of changing the domestic policy or political constitution of a state against the will of its leaders, presents problems for political theory», Cf. Leo McCarthy, «International Anarchy, Realism and Non-Intervention», p. 75. in: Ian Forbes, mark Hofman (ed. by) (1993) *Political Theory, International Relations, and the Ethics of Intervention.* New York: St. Martin's Press.

[2]   Though about one-fifth the physical size of the U.S., the country is almost all desert. Its Entire population (known among the Arabs as wistfully peaceful, with little taste for aggression and more capacity to resist Foreign powers) is only about three million. Libyans did not think of themselves as a nation until independence in 1951. Historically they were members of tribes grouped in three general regions -Tripolitania and Cyrenaica and the coast and the Fezzan in the south -whose land had been marched through by Phoenicians, Greeks, Romans, Arabs, Spaniards, Turks and, finally, Italians. Invading in 1911, Italy amalgamated the territory in a costly venture. The nomadic tribes fought back in a brutal war that lasted more than a decade. Aid sent by Arabs to support the struggle against the Italians partly explains the continuing strong pan-Arab sentiment of Qadhafi and many Libyans today.

argument depends on the way the U.S. evaluate Libyan foreign policy: it is obvious that this evaluation is a negative one[3]. In fact, the U.S. regard Libya as a «backward state» to be emancipated and Qadhafi a leader who must be «domesticated» !

Dualistic Libyan Policy

Prophethood and personalized Libyan foreign policy

Is Qadhafi the vicious dictator of an oppressed people and the dangerous terrorist -the image which the Western governments and press and even some Libyan opposition factions often project- or is he a charismatic and visionary leader who describes himself as an «Utopian leader» appointed by popular assent and beloved by the radical Arab world? Many others often wondered: is Qadhafi mad; a megalomaniac?

Otherwise respectable psychologists have tried to analyze him from afar, more reliable is what Qadhafi says about himself and how he considers his visionary Ideology. In analyzing all Qadhafi speeches and other public talks, published in more than twenty-six volumes, Qadhafi's ideology appears as a muddled mix of Nasserist nationalism, Western anarcho-syndicalism, bedouin-desert-egalitarianism and a tribal *statelessness ideology* which explains his concept of Jamahiriya (Djaziri, 1988; Djaziri, 1995).

Colonel Qadhafi had popular support as he led a group of young army officers called the «free officers» in a bloodless 1969 coup overthrowing King Idris and ending the monarchy regime. The geographic fortune of Libya helped Qadhafi in his drive to power. The son of humble Bedouin nomads was born near Sirta, on the line between Cyranaica and Tripolitania. He was raised in the Fezzan oasis of Sebha. To some extend, he bridged the frictions among the three regions. But his tribal loyalties remain: until recently, many of Qadhafi's personal bodyguards come from his tribe, the Qaddafadam. Though his age is disputed among observers, Qadhafi is thought to have been only 27 years old at the time of the coup; but he was politically driven since youth. He has entered the Libyan military academy precisely in order to bring about political change. He was sent to train for four months in England, where he also pursued an interest in Western political philosophy, developing a linking for the utopians and anarcho-syndicalists. In the Arab

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[3] Starting from the sanction policy against South Africa, Hoffman notes that «responses to the utility and practicality of sanctions against South Africa, for example, inevitably relate to the view taken concerning the nature of the South Africa state and its international standing». Comparing President Reagan's approval of sanctions against Nicaragua, for example, with his stiff opposition to sanctions against South Africa, does not demonstrate that sanctions were «practical» in one case but not in the other. Utilitarian considerations in this as in other instances are coloured by a wider philosophical stance, and it seems clear that for the US President at least, the Nicaraguan Cuban states (with its democratic socialist policies) was illegitimate in a way in which the South African (with its commitment to free entreprise) is not. It would seem naive therefore to take utilitarian arguments for and against intervention at face value» (Hoffman, 1993: 157).

world the Egyptian leader Gamal Abdel Nasser was his hero (Schumacher, 1986-87; Djaziri, 1988).

He has set forth his truths, known collectively as the Third International Theory in the «Green Book», a slender volume quoted in Libya as Mao's Red Book once was in China. Billed as an alternative to capitalism and communism, the Green Book program calls for the eventual abolition of government, private profit, mandatory schooling, representative democracy and the like, to achieve an utopian society (Ahmida, 1994). Qadhafi's vision of a resurgent Arab nation, while perhaps naive, gave clear expression to the core values of the young leader: Arab unity, anti-imperialism, restoration of Palestine, the glorification of arabism and Islam and the rejection of communism (Saint-John, 1987).

Since 1973 (namely after the so-called «popular revolution») Libyan foreign policy is directed by one man, Qadhafi, who eschews normal organizational procedures in favour of highly personalized foreign actions. Despite the existence of several governmental organizations through which Libyan foreign policy is decided and conducted, Qadhafi is exerting his own influence on all major key Libyan decisions, either in economical, political or strategical fields. The fuel in Qadhafi's foreign actions is his third world ideology, particularly his views about Arab unity (influenced by the Nasserist philosophy and the imitation of Nasser's behaviour), and the African and Third world ideologies (Deeb, 1991, Simon, 1993).

Revolutionary discourse and terrorist rhetoric

Qadhafi's own vision extends beyond Libya's borders. Believing he is a revolutionary world leader, and going far beyond Nasser, he has compared himself to historical figures such as Che Guevara, Sun Yat Sen and other nationalist leaders. He rapidly felt himself engaged in a ideological battle opposing East and West; third world an industrialized societies; opposing nationalist movements to the U.S. imperialism. In this perspective, Qadhafi was engaged in a revolutionary rhetoric as well as in support to rebels such as the Basque of ETA, the Irish IRA, the Philippine Moros and to ethnic fighting groups such as the American Indian and Black Muslim representatives many times hosted in Libya. He also backed Palestinian activist groups. He has in many times openly admitted to funding and arming them and operating training camps. Qadhafi saw support of these groups as part of his pan-Arab mission to oppose any settlement with Israel (Schumacher, 1986).

In a process of terrorist rhetoric, Qadhafi was slowly engaged in the support of violent actions against opponents. He supported and ordered a campaign to assassinate leaders of the Libyan exile community all over the world and especially in Europe. For many years,

the Libyan government has appealed and proudly acknowledged assassinates, called «sentenced popular death penalty»!

Oil revenues and Qadhafi's economic realism

In 1969, the international petroleum companies were Qadhafi's and Jallud's first targets. Although Libya had managed to improve its profit-sharing arrangements with the petroleum-production companies after joining OPEC in 1962, the revolutionary regime desired ultimate control of its petroleum industry and a greater share of petroleum income. Qadhafi moved cautiously toward the issue of nationalization, however, to avoid damage to Libya and to get the best deals possible from the divided petroleum companies. Geographically close to Europe and producing high-grade «sweet» crude (petroleum with a low wax content), Libya by 1970 was already in the favourable position of supplying roughly one-third of western European petroleum imports. It remains a Libyan paradox (among others) that Qadhafi, despite his anti-Western and anticapitalist rhetoric, has even today not opted for complete nationalization- in contrast to the leaders of some Middle East «capitalist» nations such as Saudi Arabia, Kuwait or revolutionary Iran.

Despite his radicalism and revolutionary «tiers-mondisme», and since 1969, Qadhafi's oil policy has been always carefully managed. He has been aware not to offend neither American nor European oil companies but to attract technology and skilful labour of which he was in urgent need. Except for the nationalization of British Petroleum in 1971, Qadhafi was engaged in sharing exploration and exploitation (at the level of 60 per cent for all the companies) and in joint venture with many West companies, such as Royal Dutch Shell, Agip and others as the Canadian companies, etc.

The Historical Relations between Libya and the USA

The historical conflict relations

To understand the conflict relations between Libya and the USA, one needs to adopt some historical perspective, or diachronic view as well as a synchronic view[4].

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[4]   In a sense, the conflict relations between United-States and Libya go back to remote time. In 1801 pirates, manning corsairs under the direction of the ruler of Tripoli, the Bashaw, were harassing US merchant ships in the Mediterranean. The American consul's opinion of the Bashaw was hardly less scathing than the present US government's view of the modern ruler of Libya: There is no stability in our tyrant» the consul wrote. «There is no confidence to be placed in him; he would sacrifice his mother if she interfered with his interest. The American appealed for help from the British and the French. They declined, for they paid huge bribes to the Bashaw not to molest their own shipping and were glad to see the pirates prey on US shipping and mop up the competition. In 1803, the U.S. sent the contemporary equivalent of the Sixth Fleet to blockade Tripoli harbour, but without success. The

Historically, the U.S. influence was a key factor in shaping the Libyan nation. The British and the French occupied the colony after the defeat of the Italians in World War II. But American lobbying in the United Nations helped the defeat a move by the European victors and the Soviet Union to carve up the area again. King Idris, the Emir of Cyranaica, had befriended the British during his exile in Egypt; they were instrumental in his elevation to leaderdship of a United Libya. His position was hardly one to be envied because decades of war had left the area so poor. At that time, the U.S. and Britain provided critical aid and rents for military bases such as the gigantic U.S. Wheelus Air Force Base outside Tripoli. The discovery of oil in 1959 turned the economy around but exacerbated political problems. Corruption and the King's pro-Western stance at a time of rising pan-Arab sentiment alienated Libyan youth and induced by 1967-1969 a crisis of the political system (Djaziri, 1988).

The U.S.' disenchantment with Qadhafi did not start with the Reagan Administration. Shortly after the 1969 coup, the Nixon Administration blocked the sale of 12 C-130 military cargo planes to Libya. Arms, technology and trade embargoes were progressively extended by the Ford and Carter Administrations. U.S. economic sanctions against Libya were first instituted in the mid 1970s, and since 1978 the export to Libya of many categories of U.S. equipment has routinely been denied. In 1982, an embargo on imports of Libyan crude oil brought to a halt Libyan exports of some 40 percent of its petroleum production to the U.S. (Schumacher, 1986).

The State Department had built up a dossier of evidence against Qadhafi: There were two attacks in December 1985 at Rome and Vienna airports killing twenty civilians, five of them American including an eleven year-old girl. The Americans blamed the Libyans for providing money, training and passports for the involved terrorists. According to investigators in Rome and Vienna, they were members of the Abu Nidal group, rebel Palestinians financially supported by Libya and its main Arab ally, Syria. The Rome investigators interrogated a surviving terrorist and discovered that he had been trained in a Syrian-controlled area of the Bekaa valley by a Syrian intelligence officer. There is evidence, however, that this may have been an attack spawned by recent co-operation of the Libyan and Syrian governments (Harris, 1986: 5).

In 1986, Washington made the decision to go after Qadhafi, against the advice of the CIA which argued that Libya was not the prime source of terror. The intelligence agency also argued that a military attack by the U.S. would be counter-productive. In response to some State Department specialists who called for sanctions, the CIA also argued against the imposition of economic sanctions which would not work, because nobody else, the

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Bashaw held the Americans hostage for nineteen months and three days untill the US consul from Tunis, Captain William Eaton, led a small force of US marines against Tripoli. The Bashaw capitulated and the Americans were released (Harris, 1986: 83).

Europeans in particular, would join the U.S.. The CIA also argued that military action might lead to further terrorism, if not by Qadhafi, then by the radical Arab groups. In a secret report to the White House, the CIA pointed out that «Qadhafi has consistently avoided targeting the U.S. because he is afraid of retaliation. This pushes him towards more open targeting» (Harris, 1986).

US 1986 bombing of Tripoli

The downturn began in 1986. Just four months into office, President Reagan closed Libya's embassy in Washington, accusing Libya and Qadhafi to support international terrorism. The Administration deliberately set out to punish Qadhafi in March 1986 when ships of the U.S. sixth fleet crossed the «Line of Death» drawn by Qadhafi in the Gulf of Sirta, which he claimed as territorial waters. The claim has little historical basis or international recognition: American officials have admitted that their intrusion was designed to provoke Qadhafi more than to uphold international law.

Shortly afterward, U.S. navy jets shot down two Libyan warplanes which attacked the sixth fleet. American pressure reached dramatic intensity in April 1986 with the bombing raid on Qadhafi's headquarters and home in Tripoli, killing about 50 Libyans among them civilians and soldiers. The raid came in announced retaliation for the death of an American soldier in a bomb blast at a discotheque in West Berlin where a bomb had exploded, killing two people, one of them an American, and injuring 230 others, including 23 Americans (Blundy, Lycett, 1987).

The U.S. bombing of April 15 1986 damaged severely the French embassy. Qadhafi's allies, so generous with their telegrams of solidarity, did not lift a finger when the US planes attacked. The Soviet fleet arrived in Tripoli harbour two weeks after the raid. Colonel Alexander Kvalchok, commander of the naval brigade, laid wreaths at the graves of Libyans killed by the US bombs and stood for one minute in silence. It represented the sum total of Soviet support. The raid had shown the vulnerability of Libya and Qadhafi's isolation even from the «Arab masses».

From that time, Qadhafi developed a kind of disappointment and some resentment. The affair showed also the failure of its military defence system. It showed also some of Qadhafi's psychological fragility: at that time, there were reports from the CIA that Qadhafi was suffering from acute depression and was no longer in control of Libya, and the press reported that he had been ousted in an internal coup and that he was taking «mood control» drugs. He appeared in a televised speech in May 1986 looking ill.

At that time, Qadhafi was psychologically shaken because of the weakness of his air defence system; his political vulnerabilities became obvious. Besides, American bombing showed that Qadhafi's power was limited. More generally, there was a big gap

between his utopian-powerful view of himself and the reality of a powerless leader leading a small country, in comparison to the superpower of the U.S.. From that time, and because of his self-conscious vulnerability, the Libyan leader engaged himself in a liberalization policy with an open-door oriented foreign policy toward Egypt, the Maghrib neighbours[5] and some Western European countries, such as Italy, Germany, and other countries like Switzerland.

At the center of the American's position toward Qadhafi, there is a belief that in dealing with him, the U.S. will lead the Western world in pressing for a fatal blow to what the American leaders consider as the promoter of international terrorism. Indeed, the April 1986 raid on Libya brought a lull in Arab related terrorism. The governments of Western Europe, scarcely supportive of the American show of force, nevertheless imposed sanctions, in part to placate the Americans. The sanctions prompted the departure of more than 600 Libyans from Western Europe, thus dismantling according to Schumacher «a logistical network for terror» (1986: 329).

Developments since the bombing raid have raised questions about the effectiveness of American policy. Inside Libya, Qadhafi overcame what many around him said was a state of depression following the U.S. bombing of Tripoli. After the raid itself, he re-emerged in public on September 1st. For the 17th anniversary of the coup d'etat, he declared in a forceful speech that «America is filth». On September 2nd, defying predictions of a coup, he took place in an armchair reviewing a military parade for more than one hour. But the lull in terrorism was short-lived. In September 1986, terrorists seized a Pan American plane in Karachi, blew up a synagogue in Istanbul and went on a bombing spree. Some American officials saw a Libyan hand in Karachi. But there was no definitive proof, and the focus on international pressures shifted to other promoters of terrorism.

In 1986, the main problem for Washington was to Libyan-sponsored terrorism and overthrow Qadhafi. The Libyan colonel has become such a symbol of terrorism to the U.S. that American political leaders have lost sight of practical realities. Pressing Qadhafi can curb some terrorism -but only some. Pressing hard to overthrow him is even more problematic. A look inside Libya reveals, that it may be neither necessary in the long run nor advisable in the short run (Schumacher, 1986).

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[5] The Arab Maghrib Union (AMU) (including Algeria, Mauritania, Morocco, Libya and Tunisia) was founded in 1988.

The Liberalization Period: 1987-1991

Economical liberalization

One of the many aspects of economic liberalization efforts and privatization is the form of co-operative self-management, called *tasharukiyya* which included more than 140 public companies and in addition the abolition of state import and export monopoly. Much has been written about this liberalization strategy and some wondered whether it was implemented by a real liberalization program. For Vandewalle, the attempted liberalization was highly suspect from the beginning, because the bureaucracy was left untouched and because «no clear legal texts appeared that sanctioned the liberalization drive». Particularly, stresses Vandewalle, the government did not provide definite guarantees concerning property rights. More generally, he explains, Qadhafi's government seemingly confused liberalization with simply handing over private property to citizens (Vandewalle, 1995 b: 214).

I don't think that Qadhafi left bureaucracy untouched as stated by Vandwalle. In fact, he decided a 10 per cent cut in the bureaucracy and he also initiated a decentralization of bureaucracy. We have to remember that Qadhafi initiated in 1992 an administrative Reform reducing the number of General People's Specialized Committee (GPSCO) (see Table 7.1: Djaziri, 1995: 191) from twenty two to thirteen which obviously has some consequences on the state weight and its financial cost[6].

In fact, it is difficult to compare the Libyan liberalization with the other Arab economic liberalization, because of the history of each country and of the nature of economic structure. We have to remember that the economy of Libya is a «rentier economy», relying exclusively on oil revenues and not on private or state capitalism. Henceforth, liberalization and privatization could only derived from the redistribution of oil revenues, or *«trickle-down privatization»*. Secondly, the Libyan liberalization was a very gradual policy, somewhat an experimental liberalization and henceforth it is a progressive policy, starting from the privatization in the form of self-management cooperative toward a real privatization. For Qadhafi himself, this process should be gradual. Therefore, I think that the liberalization was not suspect at the beginning; it was gradual and in somewhat very paternalistic. Rentier states as Libya, and other Arab rentier economies (like Algeria and Iran), need a long transitional period to manage a *«stop and go evolution»* toward

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[6]   Cf *al-Jarîda al-Rasmiyyâ*, 33, 1992, pp. 1162-1164, quoted by Djaziri, 1992; 1996: 195. According to D. Vandewalle, «The main purpose for Libya's economic «infitah» was seemingly to relieve an additionnal amount of pressure when the economic downturn threatened to provoke a level of dissatisfaction the government perceived as potentially threatening. There are no indications, however, that it has, to any measurable extent, forced the state to hand over some of its economic decision-making power» (Vandwalle, 1995 b: 217). We have some indications about the state determination in the administrative reform decided in 1992.

economic privatization. This process requires some political conditions, such as peaceful relations with neighbor-states and a positive interaction with its international environment. In some way, the international sanctions interrupted, at least slowed down the process of liberalization and «juridicisation» of power initiated in 1988 (Djaziri, 1988 a; 1992).

Juridical alliviance of arbitrary power («infirâj»)

As a political alliviance, hundreds of political prisoners were released in 1987 and 1988; thousands of Libyans were able to travel without restrain. Thus, an open atmosphere was created by 1987-1988 with critics toward the revolutionary committees and their abuse of power. Qadhafi himself acknowledged that abuses have taken place. Thus, in a remarkable turnaround, he became an advocate of legality, freedom and human rights. Furthermore, in an effort at consistency that would have been unthinkable during the revolutionary phase of the late 1970s and the 1980s, he proposed the codification of these principles through the General People's Congress. The security and police services were singled out for their excesses, and Qadhafi suggested making them directly responsible to the GPC. In a speech in May 1988, he went further in suggesting that all punishable crimes be clearly enumerated and codified to halt arbitrary arrests for unspecified misdeeds (Vanderwalle, 1995: 35-36; see also, Djaziri, 1993).

Despite controversy among specialists with contradictory arguments about the economic liberalization period (1998-1991), including a process of dialogue with opposition (Djaziri, 1988a, 1992, 1995, 1996; Mayer, 1995; Vandewallle, 1995)[7], I would like to stress again on the fact that inspite that the *Green Charter* of 1988 does not state the fundamental elements of what we call the privileges of citizenship in true democratic society (due to the fact that Qadhafi's ideology continues to reflect the image of tribal society where the concept of citizenship and of independent personalized judicial rights do not exist), this charter definitely shows a movement toward judicial principles that

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[7] This controversy is illustrated by Vandewalle's contradictory statement in which he both acknowledges that «there has been some restoration of the rule of law and some limited improvements in the area of human rights (..) and that some sense of predictability has been established». At the same time, he recalls us that several other rights and liberties continue to be denied: «while the Charter codified some juridical principles, it lacked many provisions that would have extended human rights to all Libyans (Vandewalle, 1995: 35). A. E. Mayer notes that «there is no freedom of conscience or association, no prohibition for torture, no garantee against arbitrary arrest and detention, no protection, no presumption of innocence for the accused, etc» (Mayer, 1995); aspects which we ourselves had pointed out in 1988. Nevertheless, we have to remember that freedom of association did not exist in the Monarchy time in Libya, at least since 1962 when political parties were forbidden. On the other hand, the Charter and the Law of Marriage and divorce of 1984 introduced the freedom of marriage for both men and women , which is a progressive political decision (Djaziri, 1988; 1988a).

could lead, provided a favorable conjuncture, to a process of increased legalization in Libya.

The Green Charter affirms a clear and broad judicial principle: for example, it is forbidden for any person or group to justify their political activities under the pretext of Islam. It condemns any religious hierarchy that might lead to a monopolization of religion. It also condemns the use of religion to conspire or organize partisan activity. This principle is part of the fight led by Qadhafi against the Muslim Brothers who remain his most determined adversaries. In Libya and elsewhere in the Maghrib, leaders are now confronted with the Islamic defiance that can only be contained by introducing a democratization of local and national political institutions, while at the same time respecting Arab islamic values (Djaziri, 1996).

In fact, there is some ambivalence because far from reflecting a significant development of a body of public law to which society could turn in order to limit the arbitrary tendency of the state, the Green Charter reflects the situation of state in transition where we have together elements of the *shari'a* and of the modern law concerning the equality between men and women. In that sense, this charter reflects the cultural ambivalence that exists in Libyan society between the judicial domain of the islamic state and the realm of a state based on a clearly enunciated legal framework. It reflects also the social contradictions and conflicts between traditional-conservative forces versus progressive forces (Djaziri, 1995: 197).

UN Sanctions and the Effects on Libyan 'Ouverture'

The controversial UN sanctions

In 1988, the United Nations imposed limited sanctions against Libya for its refusal to hand over two suspects in connection with a bomb that destroyed a Pan American jetliner in 1988, killing all 270 people on bord. The UN sanctions policy stopped the «*Infirâj dynamics*».

Regarding Libya refusal, the U.S. and Great Britain presented their demand to the United Nations in 1992. In its resolution 748, adopted by 31 March 1992, the Security Council imposed military embargo as well as civil embargo on air traffic. Despite their endorsement by the United Nations, the Americans' claims seem to have little support in international law: some view the UN sanctions as fragile and lack any juridical foundations; for others, the Libyan's responsibility is not clearly demonstrated[8].

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[8] According to *The Economist*, the decisions of the Security Council are fragile: «In taking on Libya, America, Britain and a less than whole-hearted France are on slippery legal territory. They have had to bully a reluctant Security Council into line. And they have no support from the Arab

As the Libyans' fingerprint on the Lockerbie crash is not absolutely evident, we have to be aware of the political aspects of this «affair», particularly the continuous «American project» to overthrow Qadhafi. This aspect is exposed by Henry Schuler who declared in May 1992 that the main target of the American campaign is to overthrow Qadhafi and to change the political regime in Libya. According to him, Qadhafi is guilty for having nationalized some oil companies such as Bunker and Hunt. He declared that the main objective of the U.S. policy is to force Qadhafi to leave power and to impulse democratic change with elected government[9].

In response, Qadhafi, while stressing his commitment to international law, insisted that Libyan law does not allow extradition. From a nationalist point of view, and accepting to submit the case to the International Court of Justice, he nevertheless explained that there was any legal basis for the American and Britain's claims (Graefrath, 1993; Kamp, 1995; Mayer, 1995). Despite this position, and in considering his international vulnerability, Qadhafi showed willingness to negotiate the surrender of the two Libyan suspects in order to prevent imposition of economic embargoes, and even to have the actual sanctions lifted. This position shows in itself an ideological flexibility not seen since the initial period of the Libyan revolution (1969-1973) when Qadhafi was not engaged in a radical position[10].

Qadhafi has understood that further isolation would guarantee the collapse of Libyan economy oil related and suffering from sanctions imposed by the U.S. since the early 1980s. Ending isolation requires an ideological shift, clearly abandoning revolutionary anti-imperialism rhetoric to more realistic world views and leaving progressively a radical politics in favour of liberal ones, granting opposition forces their right to create political parties. Obviously it is not yet actually the case; but Qadhafi is taking a steady step. Since 1992, he seems to consider that Libyans are not ready to create political parties; but that they could do it after strengthening the stability of the Libyan society. This position indicates that he is not absolutely opposed to that evolution.

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governments that were their most valuable political allies in their Gulf war, but who now believe that the West is acting with unreasonable haste» (Cf. *The Economist*, 11. 4. 1992). According to the famous Washington Post's Columnist, A. M. Rosenthal, many questions remain to be answered: «About the downing of Pan American 103, two major questions remain to be answered. This is the first: will the truth be disclosed to the world-the full truth, not just the part being recited at the United Nations? The answer is yes, someday -it is a matter of time-. Too many people were involved in the crime, from too many countries, for the U.S. and the United Nations to be able to hang the Lockerbie bombing only on the Libyans and then just walk away forever from the rest of the story, the rest of it» (quoted in the *International Herald Tribune*, 1. 4. 1992).

[9] Henry Schuler is an american specialist of libyan political system and director of the «Security and Energy Programme» of the Washington Center for Strategic and International Studies. He is also an U.S. Government Adviser, Cf. «Interview». in: *al-Wasât (weekly arab newspaper)*, 11. 5. 1992.

[10] At that time, Qadhafi's ideology was more pragmatic and politically western orientated. In 1970-1971, he has had the project to instaure a presidential regime and to compaign for presidency (Djaziri, 1988).

Economic, Human, Political, and Social Consequences of the UN and US Sanctions

Sanctions and human suffering in Libya

U.S. economic sanctions and the UN embargo against Libya have a negative effect on humanitarian situation in Libya. Since the embargo, Libyan hospitals are lacking medicaments and necessary medical materials and equipment. According to Kamp, more than 500 people died in 1995 and hundreds of children are in an urgent need for special medical assistance abroad (1995). The international sanctions have also negative economic effects, particularly in agriculture and in the oil sector which is lacking technology and technicians: hundreds of western technicians left Libya since 1992.

Violent islamic opposition

Tripoli has been relatively free of violent opposition to colonel Qadhafis 27-year-long rule, although the northeast of Libya has in recent months became a hotbed of Muslim militant activity, with incidents erupting in or around the port of Benghazi. In January 1996, five Libyans had been killed in Benghazi when the police clashed with Muslim militants. A few days earlier, the Libyan opposition in exile said that at least 12 people, including a key politician, have been killed. Colonel Qadhafi has ordered his security officers to shoot on sight when they spotted members of Islamist groups who oppose his government. Shops belonging to suspect Islamists were burned down and others belonging to foreigners, closed. Analysts say six years of United Nations sanctions have provoked some Libyans to take up arms against the state and demanding change. But Libya has blamed Egyptian and Sudanese immigrants for the unrest within its borders, and last year deported hundreds[11]. According to an Arab Newspaper, the Islamic opposition Militant Group (IMG) had attempted to assassinate Qadhafi in Sirt in February 1996[12].

Dissension between Europe and the US: Critical Dialogue versus Conflict

U.S. economic sanctions and military pressure against have accentuated differences between the U.S. and its European allies over how best to deal with Qadhafi. In 1996 the U.S. introduced the so-called d'Amato law, which should serve as the legal basis for sanctioning non-American companies, who provide Iran or Libya with technologies for oil production. this caused intense debate over the future of transatlantic relations. However, European business are ready to resist the American sanctions.

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[11]   Cf. *International Herald Tribune*, Monday, July 15, 1996, p. 6.
[12]   Cf. *Al-Hayat*, March 9, 1996.

In an interview, Thierry Desmarest, Total's chairman affirmed that Total SA plans to defend its investments in Libya and Iran, despite the threat of sanctions from the U.S., and the French oil company is also looking for opportunities in countries that might be subject to similar American measures. The Chairman affirmed the company's commitment to invest in countries that are increasingly viewed as «pariah states» by the U.S., including Iran and Libya, as well as Burma, Syria, Iraq and Colombia[13]. Thierry Desmarest declared that «What we believe is that policies of embargo, of blockade, or economic isolation, are not the solution to the political problems of developing countries and that it is better to develop the economies of these countries to enhance their political maturity»[14]. Stating that his company would continue to invest where it saw opportunities, Desmarets declared: «What is becoming a bit extravagant is that the U.S. are alone against everyone. Every country is responsible for its own actions, and I would never allow myself to pass judgment on the attitude of the U. S. government, but we are counting on the determination of the French government and other European governments to make sure French and European companies are not affected by these». Desmarest said he was worried with the Iran/Libya bill, which comes on the heels of another bill sanctioning foreign investments in Cuba would be only one of a series of «extraterritorial measures» by the U.S.[15]. For Desmarest, the U.S. seem to have a double standard when it came to sanctions, favoring economic development as a means of fostering political progress for some countries and not for others: «When you look at the attitude of the U.S. toward China, one gets the impression that because it is a huge country, they are sensitive to the fact that maintaining economic relations works in favor of China's political opening, but in other cases they haven't reached the same conclusions»[16].

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[13] Total is the first foreign company to have signed a deal with Iran after the Iranian revolution of 1979, which is a key target of the Helmes-Burton law. The sponsor of the lesgislation, Senator Alfonse D'Amato, earlier this year warned Total its investments in oil fields at Sirri in Iran were very «distressing», Cf. *The New York Times International*, November 13, 1996.

[14] Concerning the situation, and according to Carol Bellamay, the executive director of UNICEF, there are 180 000 children who are malnourished and 900 000 are widows. About 4, 500 children under age of 5 are dying every month in Iraq of Hunger or disease. According to Catherine Bertini, director of UN World Found Programm, «the situation in Iraq will worsen this winter. According to her, Iraq Food Production has fallen by about 30 percent this year, adding to shortages. Even moderately mal nourished the 180 000 children can be at much greater risk of death if they encounter infections (see, «Iraq Children are Main Victims of Sanctions, Unicef says», *Herald Tribune*, October 30, 1996, p.2).

[15] Cf. Max Berley, «Total Affirms Commitment to Deals in Libya and Iran»*International Herald Tribune*, 7 August, 1996, p.8.

[16] Cf. *International Herald Tribune*, 7 August, 1996, p.8. The official chinese newspaper of the ruling Communist Party wrote recently about the U.S.: «In this world, just one country is famous for its xenophobia, its wild arrogance and haughtiness known to all. Every day it issues Cold War propaganda to interfere in other nations' internal affairs and tries vainly to foist its own values on others», Cf. Steven Mufson, «Chinese Foreign Policy: Mixed Signals». In: *International Herald Tribune*, November 21, 1996. This does not help the two countries talking to each other again.

Some Theoretical Aspects of the Sanction Policy

Policy sanctions and compelling democratization

U.S. intervention for introducing democratization in Libya by economic pressure rises a series of questions about the efficiency of this policy. First, we have to consider democratization as a long and contradictory process. As far as democratization is concerned in Libya, we have to remember two aspects: the first is that the attainment of a democratic system is not a rapid and a once-and-for-all process. It takes a very long period of transition: Britain, France and the US became fully democratic, in the sense of one person one vote, only in the 1960s, after hundreds of years of economic developments and political struggle. Many other third world states are in the process of attaining this through various forms of «*semi-democratic evolution*» -Mexico, Egypt and Morocco being cases in that point (Therborn, 1977; Djaziri, 1996).

Second, no one can be sure if a democratic system is established for at least a generation: the fate of the Weimar Republic and a range of Third World democracies (Lebanon, Liberia, Ceylon) that appeared reasonably secure in the 1960s should make that clear. The political situation within most new pluralist countries indicates that matters may take a very different turn in the years ahead. We have to remember that when it became independent in 1951, Libya, for instance, was a *semi-democratic system*, but due to many historical factors (among them a crisis in the monarchical political system in the sixties), political parties were forbidden (1962) and Libya was engaged in an authoritarian process long before Qadhafi took power.

With regard to the question of how international system can enforce democratization, Halliday recalls that the process of democratization itself, and the degree to which all states in the world are pressured into conforming to it, focuses attention on how international norms and mechanisms such as foreign aid and trading conditionality can now operate to enforce a single mode of domestic political and economic practice. In other words, it raises the question, which is also raised by the fall of communism itself, of how far, beyond acceptance of certain international norms, states are also compelled by the system to conform internally, or to pay a higher price for not doing so. That has always been one of the underlying dimensions of international relations, but one which recent US sanctions against Libya enable us to look at in a fresh light. If we accept, in an utopian perspective, that there is an «international society» in the much stronger sense of a society of entities with shared values and it is the protection of this that should dominate inter-state relations, then we should conciliate national-interest and the norms of the international society (Halliday, 1992c, 1992d, 1995).

Conclusion

The U.S. and the UN economic sanctions and military pressure against Libya have not only accentuated differences between the U.S. and its European allies over how best to deal with Qadhafi; they also helped the Libyan leader to project an image of victimization to the third world. This allowed him to capture the third world support within UN. So what should the U.S. do about Colonel Qadhafi? The American administration's «obsession» with overthrowing Qadhafi is not the answer. The continuing U.S. sanctions would worsen the Libyan economic situation and harm the Libyans human condition without any change in the leadership. Besides, the American interests in Arab and third world countries would be damaged.

American zealotry to overthrow Qadhafi may thus bode failure -failure of U.S. policy in Europe, with some Arab countries and in the third world. It would also bode failure inside Libya itself. It may be counterproductive for many reasons: first, pro-American and more generally pro-western Libyan opposition, and even liberal and moderate forces inside and outside Libya would likely to be discredited as American and West lackeys. Second, the actual moderate nationalist opposition would become radical nationalist opposition and would move toward Qadhafi in an nationalist alliance. Third, the Muslim fundamentalists that are both anti-Qadhafi and anti-West will grow in number and in power[17]. All this may lead to a dangerous situation which will challenge the cohesion and the integration of Libyan society and may endanger the equilibrium of the North African region[18]. The actual division within the Libyan political leadership between the radical faction (that are the revolutionary committees allied to Abd as-Salam Jallud which are opposed to handing over the Lockerbie suspects and to the «normalization» with the West), and the technocrats moderate pro-Western faction (or what we may call the «bourgeois technocratique d'Etat» which is looking for strengthening ties with the European countries, and the U.S.) will lead to a violent clash and civilian conflicts. Between the two factions, Qadhafi seems to hesitate, even if he is ready to give up some of his radical positions for the sake of the Libyan national interests.

Military as well as economic sanctions are not the best way to deal with some «problematic» leaders in the world today. There is another way, the way of dialogue, but critical dialogue which means dialogue without any concession with respect to human rights and the full respect to international law.

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[17]   For Qadhafi, the islamists are backed and sponsored by the U.S..
[18]   See our two chapters 9 and 10: «Les obstacles à l'insertion dans le système international», pp. 199-225; «L'affaire Lockerbie et l'opposition libyenne», pp. 227-254 in: Moncef Djaziri, *Etat et société en Libye. Islam, politique et modernité*. Paris: L'Harmattan, 1996.

Since 1973, and for many years, Qadhafi has acted «freely» without taking into consideration international standard and norms. He deliberately and dangerously ignored the West and the West too had deliberately ignored Qadhafi's Libya. In the light of the actual sanctions Libya and the West, particularly Libya and the U.S. must create a dialogue. For that purpose, conditions must be create. In order to help Libya to enhance dialogue with «the others», it would be possible to integrate this country into regional sub-regional cooperative organizations.

For the sake of their people, Libya and the U.S. political leaders must give up their common hostility and adopt a constructive-interdependent political, social and economic relations. They must substitute confrontation for cooperative-critical dialogue.

Policy Recommendations

With reference to the arguments presented in this paper, and in relation to our understanding of the Libyan political leaders behavior and their need for respect, and after consultation with some influent Libyan political leaders, I will recommend the following:

1. Regarding to his capacity to interact with international environment, and in reference to Libyan vulnerability, we may consider that Qadhafi poses actually no real threat to his international environment. The Libyan leader is actually using the Libyan economic resources to face international sanctions rather than supporting international terrorism.

2. We have to take into consideration the Libyan will to cooperate with the international community and to take part to regional and sub-regional dialogues. It is essential to have Qadhafi and the Libyan political leaders involved in the European-Mediterranean dialogue. In this respect, we have to try our best to have Libya represented within either a Maghrib Union Delegation or the Arab League Delegation.

3. In trying to get Libyans involved in regional talks, particularly in supporting their desire to participate to regional talks, we have to take into consideration the psychological aspect of the Libyan political actors originated in their Arab and tribal culture: we have to avoid to put forth any pre-conditions, except the necessity to have some representatives of Libyan civil society in the European-Mediterranean Dialogue.

4. It would be suitable to integrate this country into regional and sub-regional cooperative organizations rather then to have it dangerously outside «the game». We have to initiate with the Libyan leaders a *critical dialogue*, which means dialogue without hate, without distend and any hegemony. The Libyan leaders must understand that they are equally sharing a central and common concern for the future of regional and international cooperative dialogue. We need to have them involved in the regional system: proud as

their are, they may take seriously their task in playing a constructive role rather than a destructive one.

6. Regarding its economical capacities and potentials, Libya may play a positive role in the economic development of the Maghrib region as well as a political role regarding the islamist threat in Algeria and in Tunisia.

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George Joffé: Libya - Do Sanctions Work?

Professor Moncef Djaziri's paper seems to me to implicitly pose a series of basic questions about the unilateral and international sanctions regimes that have become an increasing feature of international relations today. This is whether or not they are effective and, if they can be considered to achieve their objectives on occasion, what those objectives might be and in what circumstances such sanctions work? In many respects Libya is a very useful case-study, both because of the length of time for which sanctions of one kind or another have been applied and because of the differentiated enthusiasm felt for them by Western states - those states which, in effect, impose sanctions (whether through multilateral organisations or not) and which have the power to make them effective.

The case of Libya

The basic accusation against the Qadhafi regime in Libya is that it has sponsored and engendered international terrorism and that it has done this in defiance of the international community virtually ever since the Qadhafi regime came to power. One of the problems lies in definition: what precisely do we mean by "international terrorism"? The conventional definition of terrorism is the use of "coercive violence for political objectives" (the formulation is derived from the work of Professor Paul Wilkinson) and is usually applied to those directly involved in such acts. States have increasingly become to be seen as "terrorist" if they sponsor such acts and the typical culprits are usually taken to be Libya, Syria, Iran and North Korea, although the list has recently lengthened as post-modernist and post-Cold War self-righteousness has grown amongst legislators in the West.

Interestingly enough, other states which have also sponsored or promoted "coercive violence for political ends" are not conventionally included in this group. They include Israel (because of its activities towards Palestinian and Arab opponents) and the U.S. (in view of its involvement in Nicaragua and Afghanistan). The reasons for these exclusions deserve attention, for they underline the fact that the definition of individuals or states as "terrorist" involves an important and selective value-judgment: not all coercive violence is considered terrorist and not all sponsors are seen as terrorist supporters.

This may well be appropriate but it raises the question that, if value judgments are involved, who is entitled to make them? It can hardly be states or governments for, under the principles of international law, all states are of equal status and enjoy untrammeled sovereignty - and the consequences, if they interfere with the sovereign

interests of another state. Nor can it realistically be a multilateral organisation unless the behavior of that organisation is entirely in accordance with international law and not subject to political pressure reflecting partial or specific external interests. Only international courts, perhaps, come close to achieving such a status, although they interpret, rather than enunciate, international law and, in any case, cannot enforce their judgments on states.

The United Nations - in the real world, at least - hardly seems an appropriate body for the General Assembly is virtually powerless and the Security Council is dominated - as its founders intended it should be - by the five permanent members. The problem here is that the permanent members are, in the last analysis, merely states like any other and, despite their power, have no greater weight in international law than their fellows but they are also the states which, in essence have acted as judge and executioner over the question of international intervention and sanctions regimes. In reality, therefore, sanctions regimes, whether unilateral or international, reflect the national interests of those states imposing them and, in the case of the United Nations, basically reflect American and, to a lesser extent, European interests.

Against this background it becomes easier to see why Libya, in particular, has become the target of United Nations sanctions, whatever the status of the evidence of its involvement in activities deemed to be uniquely terrorist. The Qadhafi regime, whatever .its faults and they are many, has been consistently involved in support for the Palestinian issue since it came to power. Furthermore, it believes that, given the direct and indirect power of Israel - because of Western and particularly American support - any action including violence that influences Israeli and Western behaviour in terms of Palestinian interests is justified; the struggle in short is one of "national liberation" in which these objectives supervene over all other considerations, whether legal or moral.

We are confronted, in essence, in the words of the Israeli novelist, Amos Oz, with a conflict "between two rights" - although the rights involved are not quite those which he meant, for they involve the right of Libya to adopt such an attitude within the international arena and the right of the West, led by the U.S., to reject such pretensions and label them "terrorist" in intent and manifestation, although they tend not to do so when Israeli interests are involved. In fact, the superficially moral definition which is imposed on the international community in this respect is actually a statement about relative power - and the West is infinitely more powerful than Libya, or any other state that might adopt similar arguments. Thus, in the real world, states that are sanctioned for sponsorship of terrorism lie on the losing side of a power equation, whatever the morality of their actions.

This conclusion is not simply an idle intellectual or philosophical speculation. Westerners are constantly amazed at the unwillingness of others, particularly in the Arab world, to accept their moral vision of these matters and consistently fail to realise that such reactions arise because the "others" accurately perceive the issue to be one of power, not morality. Yet, if we are really to do anything constructive to impose an idealistic regime on the international order - and this is the claimed objective, at least, of Western states - then we must understand that rights can stem from wrongs and that solutions must involve addressing the real causes of the crises that we face, not simply suppressing them through our ability to mobilise superior power. And, furthermore, righting wrongs may also come before - or, at least, alongside - imposing acceptable behaviour on those we wish to condemn because a failure to consider such an option may simply prolong the crisis to which they have given rise.

Libyan blameworthiness

None of this, however, is designed to suggest that Libya can escape moral responsibility for its actions or that its motives were always as pure as the argument above might suggest. There is plenty of evidence that Libya did support a range of revolutionary groups, particularly Palestinians, during the 1970s and early 1980s. Yet, a State Department report on Libyan involvement in international terrorism in late 1986 could only identify two out of forty eight incidents in which Libya had been involved which could conventionally be defined as unambiguously terrorist - and they were carried out against its own dissident nationals in the U.S.. Furthermore, immediately after the Tripoli and Benghazi bombings, there were up to fourteen incidents in which Libyans were unambiguously involved and, for Britain, there was the special threat of six massive arms shipments to the IRA from which we still suffer and of which only one, on the trawler *Eksund*, was actually intercepted in time. Reprisals, in short, do not seem to have been particularly effective although there is no doubt that, as Professor Djaziri says, Colonel Qadhafi was badly frightened by the attacks which he had not anticipated.

This brings us to the difficult issue of the *Lockerbie* incident, in which PanAm Flight No 103 was destroyed by a bomb in December 1988 with the loss of over 200 lives and the subsequent destruction of a UTA airliner with heavy loss of life over Niger in September 1989. In both cases there is considerable forensic evidence linking Libyans with these events, although the conclusive identification evidence, in the case of the *Lockerbie* incident, at least, is unsatisfactory. Yet, even if Libyans are connected with the incidents, it is by no means certain that the Libyan government or the Qadhafi regime is, *a priori* implicated thereby. There is plenty of evidence, after the 1986 bombings, that Syrian intelligence services, quite autonomously of the Syrian

government, carried out revenge assassinations of Britons held hostage in Lebanon at Libyan behest and there is also considerable evidence to suggest that Iran had every interest in destroying the PanAm aircraft, given the actions of the *USS Vincennes* in destroying an innocent Iran Air aircraft on its way to Dubai the previous July.

None of these issues has ever been satisfactorily investigated, or, if they have, none of the evidence has been made public so that the ambiguities in the official *Lockerbie* record can be clarified. Even worse, both the U.S. and Britain, have gone out of their way to humiliate the Libyan government in their search for culprits. This may be appropriate, but it cannot be seen to be appropriate if all the evidence is not available - transparency also has its place in international affairs - and leaves the nasty after-taste of the unbridled use of power for national purpose, whatever the provocation, not least because neither state bothered to allow Libya to operate the provisions of the Montreal Convention on air terrorism which, as a signatory - as are the U.S. and Britain - it had an obligation to do.

Nor have sanctions been particularly effective in changing Libyan behaviour: the Qadhafi regime is still in power and the accused have not been delivered for judgment in a Scottish or US court - where there must be justified doubts about the ability of either jurisdiction to ensure a fair trial. Now that the French government has decided to tidy the matter up through a trial *in absentia* (no doubt so that it can renew profitable commercial relations), it seems increasingly unlikely that such trials will ever take place. Even the considerable cost - Libya claimed in 1993 that sanctions had cost it $4.6 billion and, two years later, claimed that the bill had risen to $10 billion, quite apart from the human cost in terms of lack of access to foreign medical and other facilities - has made little difference to the situation. Nor is it likely to do so in future, not least because European interest in Libyan oil will make any strengthening of the sanctions regime virtually impossible.

The implications

The recent application of Congressional legislation, in defiance of Presidential wishes, to the Libyan and Iranian problems in the form of the D'Amato-Kennedy Act has serious implications for Euro-American relations. The threatened block on access to US investment and domestic contracts for foreign firms engaged on projects cost at more that $40 million in either Libya or Iran has raised the specter of extra-territoriality within US domestic legislation and a fundamental attack on the internationally accepted concept of state sovereignty. Despite European fulminations and the threat of blocking legislation from the European Union, there is very little likelihood that Congress will be deterred from extending its legislative scope to involve other regimes of which it

disapproves, whatever President Clinton may say, given his awareness of the international consequences.

Nor does the argument that concerns of accountable state behaviour, good governance or respect for human rights supervene over the absolute nature of state sovereignty weigh very heavily. In an ideal world, no doubt, such principles could not and should not be resisted. However, in the real world, the all-pervading nature of state interest and state power overwhelms such well-meaning principle. Quite simply, the moral justification for sanction or military action will carry little weight, particularly if they affect millions of innocent victims, whether in Iraq or Libya, as a generally acceptable and accepted principle of international order. Nor will it carry any weight until those who enforce it demonstrate their own moral even-handedness - and that, unfortunately, is very difficult to imagine as the Middle East peace process, for example, descends into chaos.

So, what should be done with a state such as Libya? Its regime is highly unattractive and opportunistic, whatever its claims through the Third World Theory to internationalist revolutionary respectability. It undoubtedly brutalises and represses its opponents - whether tribal, as at Bani Ulid in October 1993, or supposedly Islamist, as is argued (rather less convincingly) in the case of the recent unrest in Cyrenaica. But, as much as we might wish to change its behaviour, even its political elite, we are unlikely to do so through sanctions. All they seem to be likely to achieve is a strengthening of the regime, as has occurred with the Saddam Hussain regime in Iraq, despite the suffering of millions of Iraqis. For sanctions are a cheap option, which enable powerful states to articulate their power and prejudices without taking responsibility for their actions. They even enable such states to avoid difficult decisions; who would like a power-vacuum in Iraq, into which Iran, Turkey and Syria might be drawn?

Perhaps the appropriate approach, if Western states are not prepared to physically intervene to achieve the objectives they desire, is that of "critical dialogue" as Europe has tried with Iran. It may not, indeed has not, achieved its ultimate objective but it has certainly done more in that direction that "dual containment" has achieved or is ever likely to achieve. Libya knows that it needs dialogue with the West, particularly with Europe - indeed, the action which has had more effect on Libyan international behaviour than any other was the British decision to break off diplomatic relations in 1984 whilst permitting commercial relations to continue unchecked. Critical dialogue is not an easy option, either, for, as much as it may require those proposing it to consider their own motivations and address their own short-comings, it enables them to articulate to those on whom it is imposed the reasons for the imposition and the ways in which solutions might be found.

Nor is this for Europe an idle issue. At present the Euro-Mediterranean Partnership Initiative - which will define the future structure of the Mediterranean basin for the foreseeable future - is being constructed with enthusiasm and commitment as the first realistic opportunity for generating regional stability and prosperity but the exclusion of Libya will soon seriously hamper the process, perhaps might even damage it irredeemably. That is too high a price to bear for the sake of British or American national pride and Europe, perhaps, should now challenge the U.S. to accept that sanctions regimes, as at present constituted, do not always work as intended and that there may be another, better, way.

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EUROPE, THE U.S. AND SUDAN

Taisier Ahamad Ali

Comment: Abdel Monem Said Aly

Research Group on European Affairs, University of Munich

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The Project 'Europe and the Middle East'

The Middle East peace process and the Mediterranean initiative of the European Union have been an incentive for the Bertelsmann Foundation, Gütersloh, Germany, and the Research Group on European Affairs at the Center for Applied Policy Research, University of Munich, to involve themselves intensively with the future of the relationships between the regions south and north of the Mediterranean. The partners co-operated in 1994 to institute the project 'Europe and the Middle East', thereby completing their involvement with various European problems. The project aims to mediate between the two regions, providing concepts facilitating the development of more intensive relationships. At the same time the project is an attempt to build bridges between political theory and practice. In order to formulate constructive policies for the development of intensified transregional relations, the world of politics should make use of academic approaches and concepts. On the other side, academics of political science benefit from contact with practical application.

The basis for the project are the annual 'Kronberg Middle East Talks', at which representatives from science, economics and politics exchange ideas on current topics of Euro-Mediterranean relations. These conferences are prepared by a cycle of workshops, which deal with questions related to international security, economic development and the governmental and social transformation of the region.

Taisier Ahmad Ali is Visiting Professor at the University of Toronto.

Abdel Monem Said Aly is Director at the Al-Ahram Center for Political and Strategic Studies.

Introduction

The June 1989 military coup instigated radical changes in the structure, orientation and objectives of state and society in Sudan. Impassioned by political Islamists[1] slogans of "Islam is the solution" and "no substitutes for God's laws," the new regime resolved to establish a theocratic state and impose a rigid version of "Islamic" laws. Earlier on, the adoption of similar legislation by General Nimieri in 1983, had merely served to re-ignite the civil war and galvanize support for the popular uprising that deposed him from power two years later. Again, during the following years of parliamentary democracy, the political party of Muslim extremists, the National Islamic Front (NIF) failed to muster the support it needed to enact such laws. Undeterred by those past failures, the NIF, once it sized state power, pursued the forcible implementation of its politico-Islamic agenda.

At first, while preoccupied with securing control over home affairs, the new rulers sought to mollify neighboring countries and the world community by employing all the proper diplomatic signals of conventional diplomacy. Before long, however, the regime's external relations mirrored the intractable extremism of its domestic agenda. Accordingly, Sudan abandoned its moderate and conciliatory foreign policy for zealous advocacy of an international Islamist revival. In essence, the NIF leadership envisioned itself spearheading a global resurgence of Islam that would fill the political vacuum created by the demise of communism and Soviet influence. Moreover, this world-wide mobilization of Muslim populations would provide a formidable bulwark against Western domination and the twin evil of secular ideas.

Out of all these elements of the NIF's messianic doctrine to change the world emerged the violation of international norms by the present Sudanese government. The persistence of this behavior has led several countries to seek policy measures to induce Sudan's return to a more conventional management of its foreign relations. Several of its neighbors severed diplomatic relations or lowered their level of representation. Still, many states remain undecided about the policy instruments that can influence Khartoum's behavior. In this regard, a division of opinion exists between proponents of constructive engagement through dialogue and others who despair of the NIF willingness to change course and therefore support harsh penalties and sanctions. However, no policy can succeed without a clear grasp of the problem it intends to resolve.

In the Sudan, evidence of the pervasive influence of the NIF's ideological commitment is overwhelming for it shapes and fuels all state policies and strategic decisions. Without this blind

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[1] Political writings in Middle Eeastern countries use the term "political Islam" and "Islamist groups" with reference to extremist Islamic organizations. The usage of the term is meant to distinguish between those groups and the mainstream or sectarian movements.

faith in Islamist ideology, the NIF would become indistinguishable from the sectarian parties that have dominated national politics since independence. Therefore, to understand the root causes of the violations of international behavior or the regime's reaction to outside pressures we must identify, even if briefly, the salient features of the country's modern political history and its foreign policy.

The Politics of Moderation

For most of the years following political independence in 1956, the hallmarks of Sudan's interaction with the world community were moderation and a quest for consensus. The country maintained cordial relations with most of its neighbors and with others. In 1961, Sudanese troops joined the UN peace keeping forces in the Congo (Zaire). In 1967 Khartoum reconciled President Nasser with his arch rival King Faisal of Saudi Arabia. Barring General Nimieri's brief flirtation with pro-Soviet radicalism, the country remained non-aligned but with a discernible tilt towards Western powers and their economic assistance. Clearly then, the present behavior of the Khartoum government and its isolation represents a fundamental rupture with past foreign policy tradition.

Overall, moderation had long prevailed in the domestic affairs of Sudan (excepting the human and political tragedy of the civil war). The country's struggle for independence did not involve death or destruction. Instead, Anglo-Egyptian colonial rule ended through negotiations in Cairo, London and the UN Security Council. The fathers of the country's independence were not gun toting revolutionaries, but conservative leaders of religious sects. Rivalry between the two largest Moslem sects led to the formation of separate political organizations. Therefore, the two parties that dominated Sudanese politics since the 1940s were conceived in and born of the womb of the Islamic religious establishment. Yet, at independence, both parties showed astute political judgment and tolerance by overlooking their sectarian base and endorsing a secular system of government. In their wisdom, the religious leaders recognized that the new state must adapt to the diverse cultural practices of a population composed of about six hundred ethnic groups speaking more than four hundred languages and dialects.

The birth of political parties encouraged the movement towards unionization between workers and tenant farmers. By the late 1950s, a fully fledged union movement had developed with strong links to professional associations, women's and students' groups. From the 1960s onwards, these 'modern forces' showed their social and political prowess. The military regimes of 1959-64 and 1969-85 survived all the armed coup attempts directed against them. Yet, both regimes were forced out of office because of uprisings involving nation wide strikes and protest movements of the modern forces. Recognizing the vibrant institutions of civil society, a culture of moderation,

and a disposition to seek a consensus plus the ethnic and religious diversity of the country is essential for any analysis of the Sudanese state. Only then will the real significance of the violations become fully appreciated - a betrayal of national norms before those of the international community.

Reflections on the NIF military coup

The military seizure of political power in 1989 was a masterstroke of political intrigue. Initially, the officers insisted that the armed forces had acted in together to end the civil war, economic crises and divisive partisan politics. In reality, it was an army coup in name only. It was carried out by a small group of military personnel supported by armed civilians. Also, the timing of the take over raised suspicions as it coincided with the most important breakthrough in the peace talks. On the day of the coup, the cabinet was to announce a political offer that would have halted the civil war in the South. The overthrow of the democratically elected government suggested a desire to abort the peace process, and to prevent the freezing of the islamist laws.

Within a matter of weeks, the coup makers showed their true colors by endorsing the National Islamic Front (NIF) program. Nevertheless, they continued to claim political neutrality to confuse and mislead public opinion and to camouflage their partisan affiliation. Moreover, the regime dismissed thousands of professionals, civil servants, military and police officers suspected of disloyalty to the islamist agenda. At the same time, however, they detained Hassan al-Turabi, Secretary General and head of NIF along with other party leaders and trade unionists. Similarly, the government asserted its commitment to peace while escalating the civil war through full mobilization of troops and nation wide conscription in the armed forces. Also, under the guise of reducing government waste, profitable public enterprises were sold to leading NIF merchants at undervalued prices. This policy and the massive purges (euphemistically labeled streamlining) are continually presented to the International Monetary Fund (IMF) and other international financial institutions as proof of commitment to a free market economy. Considering that foreign policy is largely an extension of domestic policy, it is understandable that the Sudanese regime uses the same 'bag of tricks' abroad. In all issues of concern to the international community, whether it is the civil war, accusations of support to terrorism or human rights abuse, the regime shows little interest in other than buying time. The evidence is overwhelming.

The regime is as bizarre and ruthless as it is extremist. One presidential decree ordered a committee study the use of djinn ("genies") in the national plan, while other official statements have detailed how divine intervention guided monkeys to clear land mines in front of advancing government militia troops! Since the coup, there has been a flow of reports about genocide, widespread violations of human rights and the harboring of international terrorists by the regime.

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The NIF policies are not only irrational and cruel but they undermine future prospects for reclaiming the national traditions of moderation and consensus.

Finally, the rise of Islamist extremism in the third world is often explained as a general crisis of the state, a protest against government tyranny and the widespread disillusionment with the ruling elite. This may be true in Afghanistan, Algeria, Egypt, Iran, or other countries where governments reacted to the threat of extremists' movements through restrictive and repressive measures. In the Sudan, however, the Islamists have continuously enjoyed official recognition with unrestricted access to the formal political arena. Since the birth of their political party in 1964, the Islamists were fully incorporated in the ruling elite and have participated in all the military and civilian regimes that ruled the country. Turabi was General Nimieri's Minister of Justice, a post that he has also held in one of al-Mahdi's governments and is now the speaker of General Beshir's Assembly. Before turning against democracy, the NIF had contested the 1986 elections in which it secured 17% of the votes and thereby held 51 of the 300 seats in the National Assembly.

The Genesis of the New Foreign Policy

The post-1989 wholesale dismissal of middle and upper managerial staff from the civil service and their routine replacement by party supporters plunged the entire state system into chaos. Even greater confusion was bred by the inexperience if not lack of qualifications of the new appointees. Consequently, the NIF had little difficulty in reshaping the direction and character of all government departments. By undertaking these purges, Turabi, explained that the regime intended to "cleanse the state from the secular influence implanted during colonial rule."[2]

In this schema, particular attention was given to what the NIF regarded as bastions of secularism, i.e. army and police agencies, the universities and the Ministry of Foreign Affairs. Not surprisingly, therefore, within nine months of the coup, thirty-eight ambassadors along with most charge d'affaires were purged from Sudan's forty-three embassies.[3] In effect, this decision allowed the NIF to control the execution of all decisions in the Ministry's headquarters and its offices abroad. Moreover, the erosion of state capacity for foreign policy formulation was designed to allow the NIF and its islamist NGOs a free hand in all international affairs.

A number of parallel organizations took over the tasks of making foreign policy. The Council for International Peoples' Friendship (CIPF) assumed the role of contacting foreign embassies in the

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[2] Dr. Hassan al-Turabi, al Sudan al-Hadith (daily newspaper), Khartoum, September 19, 1991.

[3] President of Sudanese Diplomats Association, Private Interview, Kharoum, December 15, 1992.

Sudan and developing ties with NGOs abroad. Africa International University, which was accorded diplomatic status took charge of relations with Islamist movements and the training of their cadres. A third and by far most influential body, was Turabi's Popular Arab Islamic Peoples' Conference (AIPC). Committed to world-wide Islamist revival, this organization sought to remodel the domestic and external relations of Muslim countries. The AIPC became the incubator of foreign policy decisions carried out by state organs, CIPF and the countless NIF relief and other organizations. The new policy reflected Turabi's vision of "...having Sudan lead the international liberation and justice movement, ...a liberation policy from international arrogance." He also explained that, "Sudan...has both the right and obligation to interfere in the internal affairs of other Muslim states."[4]

History of International norm-violations

Initially, gross violations of international norms of behavior characterized the regime's practices against its own citizens and eventually also marked its foreign relations. The NIF came to power by forcibly removing from office a democratically elected government, intensified the civil war and rapidly accumulated an abysmal human rights record. This behavior alienated most Western governments that represented the traditional sources of economic and humanitarian assistance to Sudan. In due course, the US canceled its aid programs, Britain suspended its grants and loans, and the European Union issued protest statements. Several African neighbors expressed concern with the escalating conflict in Southern Sudan but remained unable to influence events. Libya, Iraq and Iran maintained close relations. At first, Egypt supported the new government and lobbied Saudi Arabia and Western Europe to follow suit but subsequent developments forced it to adopt a more cautious approach. Sudan, however, seemed ambivalent to all outside reactions and its domestic policies remained unchanged.

By 1991 the interventionist foreign policy of the AIPC gained impetus from political developments elsewhere in the Horn region. Khartoum was emboldened by its support of the victorious guerrillas battling the Ethiopian regime. The collapse of Mengistu dictatorship and the birth of Eritrea were celebrated by the NIF as evidence for its ability to change governments in the region. From then onwards, foreign policy statements assumed the fiery rhetoric of radical students' leaflets and the country's doors were thrown wide open to Islamist extremists from everywhere. Extensive logistical, financial and other forms of support became available to various Islamists groups from African and Arab countries as well as from India, Malaysia and the Philippines.

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[4] Dr. Hassn al-Turabi, <u>al Inqaz al-Watani</u> (daily newspaper), Khartoum, March 10, 1992.

Charges of involvement with violent Islamist and other armed opposition groups flowed from neighboring states. During the past few years, Algeria, Eritrea, Tunisia and Uganda severed diplomatic relations with Khartoum. Egypt, Ethiopia, and Kuwait reduced their level of representation. The US added Sudan to its list of states accused of sponsoring terrorism and moved its embassy to Nairobi. Sudan reacted by denying these allegations but announced that it had asked Islamist veterans of the Afghan-Soviet war to leave the country and had deported to France the international terrorist Carlos "the Jackal". Nevertheless, reports from several rural communities in Sudan suggest continued expropriation of land in favor of foreign Islamist groups. In November 1996, Uganda repelled a major attack launched from Zaire by the Sudanese trained radical movement of 'Salaf Tabliqs.'[5] Evidently, Khartoum has not totally abandoned its policies, nor run out of tricks.

Support for Saddam Hussein during the Gulf war deepened Sudan's international isolation. This decision came at an excruciating economic price. Saudi Arabia, Kuwait and the United Arab Emirates provided valuable economic aid and private investment. The Saudi Kingdom was a reliable source of financial grants, oil at prices well below the international market and military equipment. The Saudis were shocked by Khartoum's show of ingratitude and insulted by the government orchestrated demonstrations that besieged their embassy. Riyadh's reaction was swift. All loans, grants and concessionary oil sales were stopped. Similarly, funds from other Gulf states came to an abrupt end. Despite the devastating impact of these measures on the government and national economy, the regime remained steadfast in its support to Saddam. In a show of largesse, the Saudi and Gulf governments have not imposed restrictions on the private remittances of their Sudanese employees. These funds represent a source of foreign currency that has lately surpassed Sudan's total export earnings. Yet again, Khartoum has ignored this generosity.

Sudan's reported involvement in the attempted assassination of Egyptian President Mubarak while visiting Ethiopia in 1995 has led to the most serious diplomatic crises in its history. Early in 1996 the UN Security Council imposed diplomatic sanctions on Khartoum for its failure to hand over three of the accomplices. Continued defiance of the Council's request bears the threat of even stiffer sanctions. However, world opinion is divided about the penalties rather than over the evidence. Sudan remains defiant while lobbying for support from trade partners (China & Russia), non- aligned and Islamic countries. Ethiopia and most African countries (except Nigeria) are calling for tough measures. While Egypt, (perhaps fearing the backlash from its home-grown Islamists), displays conflicting signals.

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[5]   Reuters News Agency, November 10, 1996.

Vulnerability to International Pressure

Despite its tremendous potential, the Sudan remains one of the poorest countries in the world. This poverty creates an impression of extraordinary sensitivity and vulnerability to outside pressures. More often than not, however, impressions are deceptive. Sudan's estrangement from the international community has come at an extremely high price. During the mid-1980s, Sudan received about a billion dollars in bilateral and multilateral aid.[6] At present, the flow of foreign assistance has dwindled to a trickle and the country's economy is on the verge of collapse. In 1994, an NIF consultant observed that, "Sudan has been courting disaster for so long that to imagine things being better itself becomes a source of anxiety."[7]

Yet, the government is unwilling to take the necessary measures that would end its isolation from the international community. This intransigence is largely the product of fanaticism and zealotry. Since extremist positions are inherently irrational, they remain unpredictable. In such situations the vulnerability - sensitivity paradigms are inapplicable for they presuppose logical and sensible decision making processes that allow for predicting actions of interdependent actors. The self-righteousness and supremacist perspectives of the NIF do not stand to either reason or logic. A clinical and social psychologist retained by the NIF concluded that, "since it (NIF) knows no allegiance to anything but Islam, it in effect owes no allegiance but to itself. In other words, it acts as if it is not accountable to anything outside of itself, to any sense of otherness."[8]

Policy Recommendations

It is essential that the present level of international pressure be maintained, possibly even intensified, and not reduced. Any easing of pressure will have disastrous effects for peace and stability not only in Sudan. Instability can extend throughout the Horn and into Central, East and North Africa, possibly even extending across the Red Sea (Saudi Arabia and Yemen). The regime and other Islamist groups outside Sudan will misconstrue any relaxation in pressure as a victory, and they will become even more violent.

International Sanctions and Critical Dialogue should not be viewed as mutually exclusive policy instruments since they can be employed simultaneously. An open commitment to dialogue with a

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[6] Bank of Sudan, Annual Reports, 1987-1991, Sudan Government, 1992.

[7] T. Abdou Maliqalim Simone, In Whose Image? Political Islam and Urban Practices in Sudan, Chicago: The University of Chicago Press, 1994. p. 74.

[8] T. A. Simone. p.156.

rejection of sanctions is counterproductive. It is tantamount to giving the regime a free license to continue its behavior since it is assured of an exemption from the penalty.

The fear that an air embargo may cause direct hardship to the Sudanese people is unfounded. There is an element of double standard involved in this argument. A more harmful embargo has been in place with devastating consequences. Since 1994, the Egyptian government banned the steamer service ferrying passengers, food commodities and goods across Lake Nubia. The decision to stop this link was motivated by Cairo's concern with Islamist infiltration from the Sudan. Carrying an average of 1200 passengers, twice a week the steamer was the life line of communities in northern Sudan. The cancellation of this service caused a collapse of the rural economy in the region and spread untold misery, social dislocation and major health crisis.

The Khartoum regime has finely honed its tactics of talking without actually negotiating. It will continue to exploit the international desire for security, peace and respect for human rights. The regime will seize every opportunity for dialogue, so long as it remains just "dialogue." Once the discussions touch on substantive issues, the process will come to a halt. In the end, the regime loses nothing by exploiting international goodwill. In reality, the exercise brings good publicity and buys more time.

Symbolic sanctions and sporadic dialogue are completely inadequate instruments. They prove the international community's lack of political will and by that ultimately encourage the NIF to pursue its destabilizing agenda.

The International community should not restrict dialogue to contacts with the government alone. The process needs to be broadened by opening communication channels with the Sudanese opposition. It is a sad political irony that Western democracies ignore representatives of the popular will represented by the National Democratic Alliance (NDA) while holding talks with the NIF regime that conspired against democracy.

Comment: Abdel Monem Said Aly

In order to find a proper strategy for dealing with states that are accused of behaving in contradiction to international laws and norms, we have to be precise about the types of behavior that will be called violations and call for such a strategy. In other words, we have to find an answer to the question: when should either sanctions or a critical dialogue be applied?

In answering such a critical question, we should start from the premise that we are living in a world of states that are sovereign, hence their domestic affairs are their business only. As the different states of the world are living under different evolutionary processes, we can imagine that they will have different types of domestic politics. Accordingly, a number of issues that are mentioned in Dr. Taisir's paper seem to me of no concern or pertinent to the question:

a) Dictatorships do not matter insofar as a large number of states are not under any kind of democratic rule, yet they are still considered good members of the international community. Indonesia, Thailand, China, Saudi Arabia ... etc. are all cases in point.

b) The claim of states that they have a universal ideology or values that should be applied to the rest of the world is immaterial to our case. Most countries of the world share that claim. In a way, that is the essence of the nation-state in which people are always surprised why other countries do not adopt values exactly like they have done. The USA, China, Iran, and Saudi Arabia and other countries claim values that are universally applicable to all human-kind. None of these countries is accused of violating international laws and norms.

c) Violations of human rights do not matter either. The list of countries with major violations of human rights is too long, with varying degrees of seriousness in Africa, the Gulf, East Asia etc.. Although that may be of concern to the international community, the issue is still beyond our domain.

d) Poor economic performance and corruption do not present cases for sanctions nor critical dialogue in a global strategy. There are countless cases of deteriorating economic conditions in a large number of states, but there were never calls for sanctions or dialogue by the international community.

What really remains after excluding all the above is whether the state under consideration is constituting a major threat to regional or world stability through acts of terrorism or the use or threat of use of force. Only in that case should the state be called in violation of international laws and norms that warrant an international response.

Falling under Sanctions

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It appears that the three cases of Iraq, Libya and Sudan show a pattern to how countries could come under sanctions. This pattern is manifested in the following:

1. In the three cases, there was a failure of the ruling elite in dealing with their countries' problems. Contrary to what is represented in Taisir's paper in the case of Sudan, not everything was going well before the coup in June 1989:

- The civil war was continuing since the 1950s without abatement.

- The ruling elite, civil and military, failed to put an end to the civil war.

- For five years before the last coup, Sudan was ruled by Islamic laws.

- There was practically no governance in Sudan. Chaos was rampant, and there was no government in place.

- Even under democratic rule, there was no popular participation. The heads of religious sects were always winning the elections and university graduates gained special status under the election laws.

- Economic conditions were deteriorating steadily since independence under both democratic and military rulers.

- Extremist foreign policy started in Sudan under Sadek Al-Mahdi's rule. Sudan's relations with Iran and Libya were strong long before the coup. In fact, we can speculate that Sudan's position in the Gulf War would not have been different even without the military dictatorship f the current government.

- In the Sudan, even before the coup, the political elite was full of resentment and failed to cooperate or to create a consensus in the country over any issue relating to foreign or domestic policies.

2. Faced with these problems and failures, a messianic group will come to the fore claiming that it can solve all the ills of the country with the stroke of Islamic fundamentalism (Sudan), Arab nationalism (Iraq) or both (Libya). The group will claim self-reliance, law and order, and improving the lot of the population that suffers from poverty and the chaos of the governing elite. In all cases, the vast majority of the population has very little to lose. An escape for a dreamlike future seems acceptable and possible.

3. As the new ruling group comes to power with a universal ideology, it usually steps on many regional and international toes. As they fail to solve the problems of the country, they will soon blame the world outside for their predicament. A case of confrontational politics will

follow that will include varying degrees of pressure that the new regime will use to mobilise the population.

4. Revolutionary groups of all kinds will come to the country from the region or outside. A matter that will confirm to the regime and its supporters that the main issue is the ill structure of the world system which failed to appreciate their noble endeavor.

5. As pressures increase from within and from without, the regime will decide to „resist" through propaganda, conferences and terrorism - the types of resistance which it can afford.

6. In the mood of resistance and changing the world, the regime will commit a tragic mistake of calculation. The cases of Lukrabi (Libya), the invasion of Kuwait (Iraq), and the assassination of Mubarak (Sudan) are only examples.

7. The international community declares the state an outlaw and imposes sanctions in different degrees.

This pattern of behavior raises two questions pertinent to our discussion:

1. Having the pattern of behavior of states that may very well fall under sanctions, could the international community do something early to cut through the pattern and prevent what seems an inevitable outcome? I do not have the answer to that question. However, I call for a search to that answer by deterrence in earlier stages, or by finding ways to consolidate the nation-state building process that gives birth to that pattern, or building truly regional systems that recognize the regional integrity of states.

2. Having the types of opposition to the current regimes in the three cases that were responsible for the emergence of the messianic groups, can the international community rely on the opposition to change the same regimes that they helped to establish? I have many doubts. In fact, these oppositions are suffering from the same ills that beset the current regimes, many are anti-democratic, many reflect ethnic or tribal associations, and all of them never tire of squabbling.

Sanctions and/or Critical Dialogue

The essence of politics is to change or to preserve. We should change when change will be for the better, and preserve when change will be for the worse. Therefore, the goal is to prevent a state from being a destabilizing factor for its region and the world through terrorism or other means, the strategy of the world community should make sure that it would not lead to more instability and terror. In the three cases the world community is faced by two paradoxes:

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1. The current regimes are holding their population hostage; hence the punishment of the state will usually punish the people the international community would like to save. More likely than not the masses will tend to blame the international community for their suffering.

2. With suffering, the masses will tend to rely more on their ethnic or tribal background to fend themselves against a hostile world; and thus push for the disintegration of the state into a permanent state of civil war. Nature will take its course with dire consequences in terms of terrorism and famine. The unraveling of Africa today is a testimony of what could be the future of Iraq, Sudan or Libya.

For that, I call for a mixed policy that has the following outline:

1. Keep deterrence for the foreign adventures of the existing regimes.

2. Use selective sanctions to hurt the ruling elites not the general population. Follow the patterns of consumption of these elites and put them under sanctions.

3. As these regimes use propaganda heavily, make a counter propaganda and use broadcasting and television heavily. The battle with ideological regimes should be ideological as well.

4. Always make sure that the international community will not accept the disintegration of the state. Do not accept ethnic or tribal claims. Make all efforts to end any possibility of civil war.

5. Make a critical dialogue with the opposition and make your assistance dependent upon its democratic behavior and its ability to compromise and reach a consensus not only to overthrow the existing regimes but to design a new future for the country.

6. Work harder in getting information on the countries under consideration. Current assessments are not accurate in most cases.

Egypt and Sudan

Finally, I would like to offer an explanation for the soft Egyptian position regarding sanctions on Sudan despite its responsibility for acts of terror in Egypt that may include an assassination attempt on President Mubarak. Briefly, I put forward the following reasons:

1. In strategic terms, Egypt finds it difficult to be surrounded by sanctioned states in Libya, Sudan and Palestine.

2. Also in strategic terms, Egypt can not accept a disintegrated Sudan with a prolonged time of chaos because of the intricate nature of the Nile river which is the lifeline of Egypt.

3. In human and economic terms, Egypt can not stand a flood of refugees from Sudan in case of its disintegration. The cases of Rwanda and Burundi are not to be repeated on the Egyptian

borders. So far, Sudanese refugees to Egypt, estimated between one and three million, are the middle and upper middle classes. If Sudan should disintegrate completely, that would no longer be the case.

4. Emotional and historical ties between Egyptians and Sudanese that include extensive family relations make it difficult for Egypt to support sanctions that would hurt the Sudanese people.